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Latin America Report

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22 February 1985

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INTER-AMERICAN AFFAIRS

ARGENTINE SENATE VOTE ON BEAGLE TO BE CLOSE

PY112123 Buenos Aires BUENOS AIRES HERALD in English 11 Feb 84 p 5

[Text] (NA)--The peace and friendship treaty with Chile will come up for approval by the Senate on 27 February, Radical Senator Adolfo Gass, the chairman of the Upper House Foreign Relations Committee, said yesterday. Gass told newsmen the treaty, already approved by the Lower House, will be received for study by his committee on Thursday. The treaty, which would end the century-old Beagle channel conflict with Chile, has a good chance of being approved by the Senate despite the opposition of the Justicialists who hold 21 of the 46 seats and some uncertainty among the Radicals and their supporters. The Radicals hold 18 seats but one of their number, Senator Luis Leon (Chaco), has come out against the treaty and has still not adopted a definite decision on whether he will vote 'aye' or 'nay'.

Senator Elias Sapag of Neuquen has also opposed the treaty and yesterday said he did not feel "linked" to a decision on Saturday by his Neuquen Popular Movement (MPN), ordering its national legislators to vote for the treaty. Sapag said he would not vote for the treaty unless the Senate amended clause six, which rules future border conflicts between Chile and Argentina must be settled by arbitration. The Senate, however, is not empowered to change the text of the treaty but can only approve or reject it.

Sapag's fellow-senator from Neuquen, Jorge Solana, is expected to vote for the treaty and the Radicals also have the support of the two independent senators from San Juan and the two from Corrientes as well as the Movement of Integration and Development for Integration and Development (MID) senator from Formosa, Manuel Vidal.

Unexpected support also came from Justicialist Senator Eduardo Menem from La Rioja who came out in favour of the treaty, although it was expected Menem might walk out of the session at the time of the vital voting so as not to incur the anger of his party, which announced it would expel any legislator voting for the treaty.

But should Menem walk out and Leon and Sapag vote against the treaty, the government would still have 23 votes against 22 for the opposition. And even if another supporter defects or stays away, thus causing a draw, the vote of

Vice-President Victor Martinez, the chairman of the Senate, would be decisive in swinging the vote in favour of the government.

Cass was optimistic on the voting and said the Senate would approve the treaty, adding he had a "neat argument" prepared to refute those opposed to the arbitration clause.

CSO: 3300/14

ARGENTINA

PRESIDENT ALFONSIN TO WARN REAGAN ON NICARAGUA

PY101957 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1844 GMT 10 Feb 85

[Excerpt] Buenos Aires, 10 Feb (NA)--During the 19 March meeting in Washington, President Raul Alfonsin will reportedly be informed by President Ronald Reagan that a provisional anti-Sandinist government will exist "very soon" on Nicaraguan territory and that it will be "officially recognized" by the U.S. Administration.

According to reports published here today, the Central American situation will be one of the main subjects to be discussed by the two presidents, including "the theory of a sort of Marshal Plan that the United States would offer to the Buenos Aires government." The possible "financial and operational support" could be implemented "possibly through Japanese business groups interested in the privatization of a large part of the deficit-ridden state enterprises," beginning with the railroad and communications companies.

According to a report published by the morning newspaper LA RAZON, without citing any source, Ronald Reagan will tell President Alfonsin that the "Anti-Sandinist provisional government" will be headed by Arturo Cruz, the main leader of the contras," and that it will have all the support it may request in its capacity as a government officially recognized by the United States."

President Alfonsin, however, will reportedly warn the U.S. President about "the anti-American outbreak that would take place in Latin America" should Nicaragua "be invaded on a large scale." Moreover, the Argentine president will reportedly tell President Reagan that his government "will continue recognizing the legal government of Daniel Ortega."

CSO: 3348/364

ARGENTINA

EXPERTS DISCUSS PROBLEMS FACING GRAIN MARKETS

Bahia Blanca LA NUEVA PROVINCIA in Spanish 23 Dec 84 pp 1, 2

[Text] The coming year presents rather sombre prospects for agricultural and livestock producers in view of the high supply of cereals and grains with lower effective prices according to the conclusions of a meeting of experts held here.

On this occasion it was also pointed out that this situation will be facing the growers during the next several years, which means that they must look forward to continuing changes in the farm and sales policies of the chief importing and exporting nations; there will be a continued trend toward declining real prices, unless there are major droughts or other unpredictable climatic phenomena.

These were the conclusions arrived at here by experts in agricultural and livestock production who met at the cereal crop exchange in this capital to analyze the worldwide agricultural and livestock situation for 1985.

Among those who attended the deliberations was Juan Elizalde, chairman of the agricultural committee of the Chamber of Deputies; Deputy Jose Juan Manny, a member of said committee; Enrique Gobbee, advisor of the CIDA (Center for Agricultural Research and Development); and Daniel Miro, economic research director of the cereal exchange; they recently attended a symposium in the United States on this special field which was organized by the United States Department of Agriculture.

At this particular occasion, Miro was the man who most thoroughly analyzed the possibility of international grain trade and analyzed the problems that might face Argentine production in this matter, in its capacity as exporter, in view of the major increases in planted areas in importing countries or reduced purchases by the usual customers, including the Soviet Union.

Miro talked about the overall situation in international agricultural trade and, concerning the current decade, he said that "agricultural trade has not been doing very well in this new context, the expansion of international trade has decreased to the point where the figures represent one-fifth of the rate of increase experienced during the 1970's."

The prospects for the remainder of the decade "are somewhat more encouraging as regards the increase in trade" and that this "speedup will be closely tied to the restoration of the international exchange and finance balance."

He then emphasized that "regarding specifically the agricultural and livestock sector, the increased frequency of technological change, with its unexpected production possibilities, the changes in the makeup and characteristics of the world demand, and the growing competition on the international market will present a disquieting challenge to traditionally exporting countries, such as Argentina."

Financial Problems

In the meantime, he added, "agricultural trade will continue to struggle with financial and exchange problems when it comes to the priority decisions which many countries will have to make regarding the use of their foreign exchange" to which we must add "the possibility of frequent imbalances between the supply and demand in favor of the former."

"Under these conditions," he noted, "we must expect continuous changes in the agricultural and commercial policies of the main importing and exporting nations which, in all probability and except for unpredictable climatic events, will not have to change the trend toward decreasing real prices."

Later on he said that "it does not seem exaggerated to think that the high level of current competition can become a real continuing thing, where the capacity to produce and export at low cost will constitute the key element in maintaining or increasing participation on the world grain market."

Miro devoted the final part of his address to presenting a panorama on the worldwide supply and demand prospects, both for wheat and for fodder grains and oil crops, pointing out that "it is obvious that the prospects point to a sustained United States supply in spite of slight reductions in the prices paid to the farmer."

He added that this situation can be transposed to the international scene where the trend in Australia, Canada, the EEC, and Argentina "can add as much as 10 million tons to their current export potential over the next 3-5 years"; added on top of "the changes in productivity which may spring from a higher technological level and the sustained efforts by many importing countries to improve their own domestic output," this means "that the panorama is not precisely encouraging as regards the development of the market."

Miro especially pointed to the Soviet Union as "the main factor" that prevented the imbalance in the oversupply and added that "the future situation will to a great extent depend on the level of its needs."

Talking about fodder grain prices, he said that, if current conditions continue, "we will certainly over the next several years have levels lower than those recorded in the middle of 1984, which does not mean that we are going back to the low levels of 1982-1983," adding that the same situation faces the oil crops.

In an express reference to soybeans, he said that the market "is restricted to competition between the United States, Brazil, and Argentina," stressing the fact that the Latin American nations "have been able to win positions both in the matter of output and in the matter of sales over the past 2 years by virtue of the attractive international prices and their low production costs."

After noting that there is a possibility for future expansions in the output of those two countries, "although this depends to a great extent on investments in the infrastructure," he said that the estimated price for soybeans in the United States is "somewhat above \$240 per ton, as against \$285 for the 1983-1984 harvest season."

He finally mentioned as "new factors working toward a further decline" the "reduced Soviet demand for flour, the probable increase in Brazilian exports, and some Chinese grain sales to Japan."

Dissertation by Elizalde

Elizalde, who was another one of the speakers, pointed out that "in agricultural matters, the United States is going through a situation which we could call difficult due to the heavy borrowing by the agricultural producer which comes to about \$220 billion. But the administration of Ronald Reagan displays "a very strong tendency toward eliminating production subsidies with the objective of reducing the fiscal deficit and increasing the planted surface area along with a higher output which, in theory, would lead to a drop in prices."

According to Elizalde, this situation "could be harmful to Argentina to the extent that we do not take steps to cope with that situation."

Gobbee in turn presented an analysis of the worldwide agricultural and livestock situation as of 1970, stressing the tremendous expansion recorded in the agricultural sector at that moment, to alert his audience to the fact that these circumstances "fundamentally changed during the present decade."

According to Gobbee the change "was caused by high interest rates which, in turn, caused the dollar to grow stronger as compared to the other European currencies and this brought about a serious balance of payments crisis of the developing countries which had gone heavily into debt," on that occasion.

Meat and Dairy Products

As for meat and dairy products, he specifically mentioned the "loss of Argentina's positions on the worldwide market for these products, in contrast to the unique progress made by Brazil"; he noted that "both sectors are not escaping the crisis through which the agricultural and livestock producer in the United States is going."

5058

CSO: 3348/274

ARGENTINA

FACTORS AFFECTING GRAIN PRODUCTION ASSESSED

Buenos Aires LA PRENSA in Spanish 26 Dec 84 p 10

[Text] During a recent meeting on wheat, organized through the AACREA [Argentine Association of Regional Consortiums of Agricultural Research]-Bank of Galicia Agreement, the situation of this crop in various parts of the country was discussed; there were also comments on standards determining the commercial quality of wheat and other aspects dealing with the sale of this cereal crop with a view to the immediate future. Then a summary of the most significant parts of this information exchange was prepared.

In the ocean and mountain zone, the harvest promised excellent prospects until a short time ago but expectations declined somewhat because of the detection of some problems. In Necochea, for example, very good yields are expected although we are aware of the take-all rate. We also detected the presence of many diseases because of the problems in the application of herbicides. In the southwestern part of the province of Buenos Aires, prospects are promising, especially for the lots fertilized with nitrogen; in the west, we expect good yields--in Pirovano, there was talk of 24-25 quintals, on the average--with some problems involving take-all, especially in lots that had rice seedlings. In quite a few pastures there was Septoria and Fusarium and this enables us to predict a decline in the percentage yields that vary according to the seriousness of the attack. In the southern part of Santa Fe, there were lots with as much as 40 percent Fusarium and this affected the yield of the crops that took heavy rainfall during the blooming season with high temperatures. Something similar happened in the lots in the northern part of Buenos Aires, where wheat crops that were better than even during the last harvest drive were "ruined" by rainfall in November. We also had some attacks by caterpillars, particularly the soldier caterpillar and the inch worm. Although in many cases they remained in the lower part, on the leaves at the base, in other parts many also reached the ear. In this sense, treatment would be best in the attacked lots that have been planted with varieties of the long cycle or that were fertilized with nitrogen in the south, where only a few days are left for the harvest. At any rate, the situation must be analyzed in each case.

As for sales, the prevailing opinion among growers who were consulted is to sell the harvest for various reasons; many are short of money and have to get

rid of the goods; prospects for a rise in the price of cereal do not seem to be very close; many have not forgotten what happened during the prior harvest drive, when the rise in wheat prices after the harvest was less than the rate of inflation; there were also prospects regarding problems in delivery in medium-range terms because of the possibility of "a jam" in the collection facilities if everybody decides to sell in December and January.

Planted Area and Output

The Agricultural Estimates and Statistics Service established by the Grain Exchange estimated a surface area planted to wheat at 6,120,000 hectares. The excellent state of the seeds enables us to estimate a harvest volume between 11.5 and 12 million tons which would give us an exportable balance of around 7-8 million tons; the sale of this quantity seems assured. The big unknown resides in the price to be obtained for this cereal crop since it will have to compete with the on-credit exports of the Union and the subsidiaries of the EEC.

Markets and Prices

On an international scale, engineer Arturo Santamarina, a technician from the economics department of the AACREA, warned that the market is increasingly oversupplied and that the characteristic feature of the 1984-1985 harvest drive precisely will be the surplus. This excess output has come about in spite of the fact that Canada, Argentina, and Australia have recorded major decreases in their output. The depression on the market must be blamed on the harvests in the United States and the EEC. These circumstances lead us to estimate that Argentina's harvest will be available when the demand goes down or when there is no interest at all.

Domestically, the Ministry of Economy as of 10 December decided to reduce the restrictions [withholdings] for wheat exports from 24 to 18 percent. In addition, the National Grain Board announced that, as of that same date, it will begin to pay for its purchases after 10 working days and issued the timetable for adjustments in the price supports. According to the announcement, the price supports will amount to 1,550 pesos per quintal as of 20 December and subsequent adjustments will be effective on 10 January and 31 January 1985, respectively. This appears to spell out the rules of the game for the current 1984-1985 wheat harvest.

Although official announcements point out that "the monetary authority has made provision for the entire financing operation so that the Board can guarantee the full effectiveness of the price supports and that there will be no delay in payments," it is logical to assume that the reduction in restrictions [withholdings] was implemented so that the JNG [National Grain Board] will act as another buyer on the market, thus making it possible to boost the exporting sector.

According to the new manner of payment, as explained by Santamarina, anybody who sells to the JNG at 1,350 pesos per quintal between 10 and 19 December will get paid between 24 December and 4 January. Estimating an inflation rate of 14 percent, this price, in constant currency, signifies an amount slightly less than the average of the December 1983 price. We must remember that the latter figure, in constant terms, has turned out to be lower for the month of December since 1960.

On the other hand, the price of 1,300 pesos per quintal fixed as of 20 December, for which payment will be made to the grower as of 8 January, here we have an improvement in terms of constant pesos. For example, with an operation for which collection is made on 15 January--still retaining the monthly inflation rate of 14 percent--the grower will achieve an improvement of 5-7 percent in real terms. In making the final decision, it will be necessary to compare these sales results through the Board with the prices offered daily for export, which, in general terms, pay between 5 and 8 consecutive days.

Industrial Quality of Wheat

During that same meeting on wheat, agricultural engineer Maria D. de Dubois, of the JNG, explained that this agency determines the quality of wheat through sales standards which characterize the purity and state of health of the grain but not its industrial quality. The latter can be established with the help of various indicators but the only indicator considered accessible at this time is the percentage of protein which is correlated to the content of gluten. In turn, the higher the percentage of gluten, the better will be the bread-baking capacity.

The quantity of gluten is determined by various factors--nitrogen in the soil, environmental conditions, variety employed, etc. In simple terms we can compare this with a pot that retains the gas while the bread is being baked. It must be capable of stretching and becoming deformed but at the same time it must be tough enough so that it will not break. In summary, there has to be a good balance so that the mass will take shape and assume the proper volume.

For this sales cycle it is obligatory to certify the protein in wheat purchasing transactions and the responsibility for analysis will rest with the supplier of the goods, through private laboratories or the laboratory of the JNG. The analyses must be paid for and the customs duty is updated in keeping with the value of the quintal of wheat.

By agreement among the parties, there may be increases or reductions, depending upon the result of the analysis. This year, the producer gets a bonus of 3 percent if his goods contain more than 13 percent protein, if he delivers the wheat to official or private facilities, and if the purchasing agent can certify the protein in the truck and keep it separate. The purchasing agent gets 2 percent if he can separate the cereal.

5058

CSO: 3348/274

ARGENTINA

STRIKES CONTINUE DESPITE 'TRUCE'

PY072130 Buenos Aires BUENOS AIRES HERALD in English 7 Feb 85 p 1

[Text] (NA-DYN)--The 25,000-strong Auto Mechanics Workers Union (SMATA) confirmed their strike for today in spite of the 30-day truce agreed on between labour and business, and the Quilmes branch of the Metal Workers Union (UOM) said management had "broken" the truce by firing 90 workers at the local Cantil-fer plant yesterday. Nonetheless President Raul Alfonsin praised the pact as a "sign of maturity" and Economy Minister Bernardo Grinspun said the agreement does not mention as exact cut-off date and in his opinion "should go on forever."

SMATA Secretary General Jose Rodriguez said the union did not consider its nationwide 10 AM-to-midnight strike action and rallies breeched the truce signed 24 hours earlier because "we've been talking to management since July and they've reneged on signed agreements." The protest includes car dealership (ACARA) association and car repairs (FAATRA) federation workers, but not the Argentine Automobile Club (ACA).

There was overall mixed reaction yesterday to the month-long, business-labour pact freezing dismissals, lay-offs and strikes. Alfonsin called it "one of the most important things that has happened during this administration" and shows both sectors have been able to "put aside legitimate interest for the sake of the common welfare." Grinspun said the signed agreement "is not limited to 30 days, nor was it set at 120 as some requested. In fact no specific cut-off date was set," the minister said, adding he thought it "should go on forever because we have to find ways to avoid the constant struggle over the redistribution" of the national wealth.

Argentine Industrial Council (CAI) President Rolando Pietrauteno considered the truce a "good omen" and Intransigent Party President Oscar Alende said he was "very satisfied" with the agreement, but "would have wished it were extended for a longer period." Democratic Centre Union (UCD) President Deputy Alvaro Alsogaray, meanwhile, said he did not know whether the "alleged accord was a mockery of public opinion and especially of the people, or amounted to a last-ditch, desperate attempt because they didn't know what else to do. If the government has a secret weapon to end recession and unemployment within 30 days, then it would make sense," he said, "but otherwise it's just like the reaction of an ostrich in the face of danger."

Secretary general of the presidency German Lopez said he thought the truce was "extremely positive," but La Rioja Justicialist Senator Eduardo Menem asked the entire economic team to resign, saying "people complete certain cycles in their lives, and for these government officials the time has come."

CSO: 3300/15

ARGENTINA

LA NACION QUESTIONS MERITS OF ALFONSIN TRIP

PY060130 Buenos Aires LA NACION in Spanish 3 Feb 85 p 8

[Editorial: "The President's Tour"]

[Text] The objectives of the president's trip to India and Greece, and his brief stop in Spain on his return flight, have not been made clear so far. In view of the country's pressing problems, one has great difficulty in understanding the possible objectives, because the present circumstances do not make a long absence advisable, unless there are clear and concrete reasons for it.

Arguments are made that these presidential trips contribute to improving Argentina's world image. Although such a purpose is always commendable, the truth is that the improvement of the country's image mostly depends on the improvement of the internal situation in all its aspects, including that of the inflationary escalation, which is especially related to the recovery of the prestige and credibility that our country enjoyed in the past.

Despite some denials, not a few Argentines assume that Alfonsin has embarked on a campaign to carve for himself a highly placed position among the world leaders from nations that are referred to as nonaligned or Third World nations. This aim would be unadvisable for two reasons. First, because the interests and latent aspirations in that group, including the Latin American nations, offer little immediate prospects for Argentina. Second, and this is a more important reason, because Argentina's definitive membership in the group of Third World nations is highly debatable.

We have already expressed our opinion about Argentina's presence in this group, but we must reassert that our nation's traditions and destiny can only be found within the framework of the Western world, since no people can deny their roots or their historical identity. However, if it is alleged that it is not possible to ignore present realities or that it is not feasible to ignore a wide spectrum of countries with which we undoubtedly have to coexist and deal, it must also be noted this does not mean that we should strive to be either leaders or an important part of the power structure of the Third World since this would imply a mutation that is not in keeping with our history.

But one specific objective of the president's trip is the desire to cooperate in the universal crusade for peace and nuclear disarmament. Of course no one can disagree with the spirit of the declaration signed by the government leaders of Argentina, India, Greece, Tanzania, Mexico and Sweden. The horror that a nuclear conflict entails has been widely denounced by high-ranking scientific authorities and by top-ranking world leaders, in addition to the Vatican. But this new appeal should not be considered an unnecessary effort since all voices are valid in the undertaking to avoid the worst holocaust that humanity has ever experienced, and one which no one knows if we shall ever be able to recover from. But this appeal should be understood within its exact context, that is, it must be understood that it will have a modest influence in the decisionmaking of the great world powers.

It can also be argued whether it is better to oppose a nuclear war through the adoption of mere pacifistic gestures and attitudes or whether it is better to enter negotiations with other world powers while holding a position of real strength. History shows that this position has an advantage in these matters. The spectrum of friendly gestures made at the Munich conference prior to World War II, which was unleashed by Nazism, is an eloquent example. Moreover, since the end of World War II the Soviet Union has taken advantage of every weakness of Western democracies to take gigantic steps that it has never gone back on.

But it is also worthy to note that precisely because of the noble cause invoked by the New Delhi declaration, it should never be placed at the service of the political interests of the nations of those leaders who signed the declaration, and in this regard it must be noted that petitions for peace have had an unfortunate history in recent decades both in our country and in many others.

As for the persistent official statements noting the beneficial aspects of these official trips and exchanges of government officials on Argentine trade, we must wait and see their specific results. There have been reports about imminent trips to India by delegations from the National Meat Board, from Government Oil Deposits; from the state Gas Company; and about Argentina's participation in exhibits in New Delhi, Singapore, and Australia. But up to now all this is a desire that will demand constant efforts. Everything that is done to increase Argentine trade and diversify markets to place our products will always be a good policy whenever this is not subordinated to other temporary interests and it is in keeping with valid long-term criteria.

It has been officially confirmed that President Alfonsín will travel in March to the United States where he will meet with President Reagan. There he will be in contact with a different reality and a different political situation, one which has a more immediate and decisive influence on Argentina. It is very likely that that time, Alfonsín will be forced to define more specifically basic aspects of Argentine foreign policy and that it will be almost impossible for him to avoid explanations about Argentina's true attitude regarding such thorny issues as that of Nicaragua, for example, where the Sandinist regime has definitely established a Marxist enclave in American continental territory.

Meanwhile, the country is awaiting the president's presence for the study of a handful of problems that demand his immediate attention.

ARGENTINA

ALFONSIN TO MEET NEVES, SANGUINETTI SEPARATELY

PY052045 Buenos Aires TELAM in Spanish 1521 GMT 5 Feb 85

[Text] Buenos Aires, 5 Feb (TELAM)--Foreign Minister Dante Caputo today discarded the possibility of a summit meeting between the Argentine, Brazilian, and Uruguayan presidents. He said that President Alfonsin will meet with the presidents-elect of the two nations separately.

Caputo, who met today with Interior Minister Antonio Troccoli at Government House, discussed the visit of Brazilian President-elect Tancredo Neves in Argentina indicating that it will strengthen the process of integration and development between the two countries.

In this regard Caputo said that the meetings of President Alfonsin with Tancredo Neves on 6 and 7 February, and with the Uruguayan President-elect Julio Sanguinetti on 12 February, are very important.

Caputo pointed out that the meetings with the presidents-elect in the following days "are going to establish the political framework for other meetings during 1985."

Caputo declined to say what the Argentine position is going to be in the meeting of the signatory countries of the Cartagena Agreement being held in Santo Domingo, Dominican Republic, until an evaluation is made after a meeting with Minister Bernardo Grinspun in the Economy Ministry today.

The economy minister will leave for Santo Domingo tonight and Caputo will leave tomorrow.

CSO: 3348/347

ARGENTINA

FURTHER REPORTAGE ON DISSIDENT PERONIST CONGRESS

Congress Designates New Officials

PY042000 Buenos Aires TELAM in Spanish 0937 GMT 4 Feb 85

[Text] Rio Hondo, Santiago del Estero, 4 Feb (TELAM)--The provisional Justicialist National Council, which has emerged from the congress which deliberated this past weekend in Rio Hondo, has designated a new executive board which is headed by party President Maria Estela Martinez de Peron, while National Senator Oraldo Britos was designated as first vice president.

This report was released a little before 0600 [0900 GMT] this morning by Justicialist delegates to the Rio Hondo congress, stating that the second vice presidency will be occupied by a union delegate who has not yet been designated, and that San Juan Deputy Olga Riutort de Flores will be the third vice president, while Jose de la Sota (Cordoba) will be secretary general.

The report adds that the designated board is made up of 25 members, and that the following persons have been designated to the remainder secretariats: political: Adolfo Torrasagasti; press: Eduardo Vaca; interior: Oscar Pressaco; organization: Humberto Romero; international relations: Ruben Cardozo; planning: Carlos Torres; finance: Francisco Villada; youth: Gustavo Gauna; and records: Angel Luque.

The congress has also elected 10 members, among whom we can name Adam Pedrini, Remo Costanzo, and Malva Herrera. Trade union representatives will be designated for the union secretariat and for the fourth and seventh members, posts which like the second vice presidency, have been left vacant.

Officialist Peronists Score Congress

PY051718 Buenos Aires TELAM in Spanish 2226 GMT 4 Feb 85

[Text] La Plata, 4 Feb (TELAM)--The Buenos Aires Province blocs of Justicialist deputies and senators have expressed their profound repudiation of the methods and position adopted by some of those leaders who gathered in Rio Hondo.

The communique signed by Senator Horacio Sotullo, president of the Justicialist bloc, adds that this divisionist position is an attack on the unity of the national movement, favoring the undisguised strategy of the Radical government, which is eagerly seeking to fracture the Peronist movement in order to continue, as we all know, with this situation of dependency, misery, and the open relinquishing of the country.

The communique concludes by saying that we wholly disavow the action and condemn those who, through their behavior, favor the plans of our adversaries who day after day subdue the people and the nation, thus jeopardizing our independence, integrity and sovereignty.

Iglesias Hopes for Reunification

PY051840 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1945 GMT 4 Feb 85

[Excerpt] Buenos Aires, 4 Feb (NA)--The decision to intervene in the affairs of the Buenos Aires Province Justicialist Party, made by the Justicialist Renewal Congress in Rio Hondo, has been labeled as "not serious" by Herminio Iglesias.

Iglesias reiterated that the officialist sector has summoned another Justicialist congress which will seek to "unify" the party. He believes that there are possibilities of ending the party division and that "hope for unity is the last thing to lose."

Iglesias does not recognize the decision made in Rio Hondo because, he said, that was "an assembly, not a congress."

Iglesias made these statements upon leaving the Metalworkers Union, where several leaders of the so-called "officialist" National Council had met before going to a formal session at the Justicialist Party headquarters in Uriburu Street.

Congress Approves New Organization

PY042140 Buenos Aires BUENOS AIRES HERALD in English 4 Feb 85 pp 1, 7

[Text] Rio Hondo (NA-DYN)--The Peronist national congress meeting here recessed at 9:20 pm last night after approving a proposal for the makeup of a provisional national council. The party charter was also amended yesterday, raising the number of national council members from 26 to 96, and delegates unanimously voted to intervene the Buenos Aires Provincial Party.

The proposal, made by Deputy Ruben Cardozo and seconded by local governor Carlos Juarez, calls for each electoral district (province) to elect four delegates to form the 96-member collegiate council before the congress officially closes. The collegiate body will in turn designate a 25-man provisional national council for one year. The congress adjourned to allow the electoral districts to meet separately.

The charter amendment, passed by 197 votes against 153, calls for card-carrying Peronist members in each electoral district (province) to pick four national council delegates by direct vote--one for each party secretariat: political, labour, women and youth--who will in turn elect the 25-man executive committee from among its ranks. This indirect system of choosing the national council's executive committee won out by a 44-vote margin over a motion for a direct, nationwide (single district) election of a 16-member national council. The executive committee will be made up of a president, three vice-presidents, six secretaries (general, political, labour, women, youth and interior) and 15 voting members appointed to handle specific issues.

The two-day dissident congress had gathered 413 out of 665 national congress delegates by midnight on Saturday. Earlier reported totals of 685 Justicialist delegates in the national conclave were reduced when the Rio Hondo credentials committee questioned the validity of 20 Buenos Aires Province delegates.

Before adjourning from 3 am yesterday morning until 2 pm in the afternoon, the delegates approved the direct-vote amendment to the party statutes, unanimously declared youth as the fourth party branch and confirmed congress authorities, including chairman Raul Bercovich Rodriguez, in their posts. The congress also declared the first and second sessions of the Odeon Theatre congress (December 15-16 and February 1) in Buenos Aires null and void and unseated all its elected authorities.

Around 7:30 pm yesterday the Rio Hondo national congress decided to intervene the party's Buenos Aires provincial structure. It quashed the parallel leaderships of both Herminio Iglesias and Raul Penaloza, thus likewise disauthorizing the provincial congress, and called for new provincial council elections within 120 days.

The provisional national council will be empowered to initiate "unity talks" with the Buenos Aires congress, excluding Avellaneda party boss Herminio Iglesias, and convoke direct-vote elections before December 15.

CSO: 3348/347

ARGENTINA

BRIEFS

STEEL PRODUCTION IN 1984--According to a report issued by the Center for Iron and Steel Industries, steel production during 1984 dropped compared to 1983. The report says that the production of iron sheet dropped 5.4 percent, steel sheet 11.1 percent, hot-rolled non-flat steel sheet 14.6 percent, cold-rolled steel sheet 1.2 percent, while hot-rolled steel sheet increased 3.5 percent. [Summary] [Buenos Aires LA NACION in Spanish 20 Jan 85 p 13 PY]

CSO: 3348/364

BRAZIL

NEW DRILLING AIMED AT MILLION B/D OIL PRODUCTION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jan 85 p 24

[Text] The substantial increase in the nation's oil production, from the current level of 540,000 barrels to 1 million barrels per day, depends on the location of major oil fields in deep waters. This is why PETROBRAS [Brazilian Petroleum Corporation] decided to intensify petroleum prospecting in such areas as the Campos Basin.

Geologist Carlos Walter Marinho Campos, PETROBRAS director of exploration, justified the effort to identify new reserves at depths between 400 and 1,000 meters, saying that this is where the most recent discovery was located: Rio de Janeiro Undersea Well 219 [1-RJS-219], in waters 840 meters from surface to sea floor.

"We are not trying to set a record for drilling the deepest well in the world," Marinho Campos stressed, noting that the company's exploratory drilling is aimed at identifying large reserves capable of insuring a great leap in the nation's petroleum production and thus guaranteeing the bases for the nation's economic growth.

PETROBRAS plans to drill two or three more wells this year in the region where 1-RJS-219 is located, which could signal the existence of the first giant oil field in the country, with reserves of up to 800 million barrels. If petroleum is found, Marinho Campos explained, this will verify the existence of a substantial reserve, which will make it necessary to establish a definitive production system, using technology which is being developed by PETROBRAS.

Marinho Campos explained that 1-RJS-219 is about 120 kilometers off the coast of the city of Campos, Rio de Janeiro State. Drilling was initiated 39 days ago and should reach as much as 3,600 meters. It will cost about \$3.5 million, because the drilling is uninterrupted and is not presenting any technical problems, which holds down the costs. This is considered a low-cost well, because other wells drilled by foreign companies under risk contracts, in the deep waters of Amapa, have already cost about \$20 million.

Production

If large reserves are confirmed in the area of 1-RJS-219, PETROBRAS will have to come up with a permanent system for the extraction of the oil, Marinho Campos

said. Temporary systems, like those used in some veins of the Campos Basin, are justified only when the reserves are small.

When the reserves are large--in the case of 1-RJS-219 they could be as much as 800 million barrels--it calls for an integrated and permanent system to develop the deposit, including drilling [injection] wells to extract more oil from the field.

Crystalline Oil

PETROBRAS has begun to study the extent of a stratum of crystalline petroleum discovered in Alto do Rodrigues Municipio, 200 kilometers from Natal. The discovery is significant, in itself, for Brazilian petroleum research, since this type of petroleum is found very rarely and known resources have been confined to Canada and Siberia. Since PETROBRAS has not mastered the technology of crystalline petroleum, it has asked for cooperation from Canadian and Finnish technicians.

Within 3 months, PETROBRAS could determine if there is a possibility of commercial exploitation of the new petroleum discovery in the Rio Grande do Norte basin.

6362

CSO: 3342/90

BRAZIL

NEW PDS LEADER ON PARTY'S FUTURE ROLE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jan 85 p 2

[Text] Senator Amaral Peixoto (PDS/RJ [Social Democratic Party/Rio de Janeiro]) yesterday became acting president of the PDS, receiving the post from Deputy Antonio Farias, second vice president, and pledging to form a responsible opposition to the Tancredo Neves government and to try to bring the party back together. The party meeting, which lasted for 1 and 1/2 hours, was peaceful. It was attended by Deputy Nelson Marchezan, who voiced his confidence that the PDS would survive; the Malufists present at the meeting showed no hostility toward him.

Amaral Peixoto opened the proceedings, declaring that "the role of the PDS in the immediate future would not be to bolster the Tancredo Neves government, but to sustain the process of political liberalization." He advocated a "responsible opposition, like the opposition he led against President Janio Quadros in 1961 as president of the PSD [Social Democratic Party], based on an analysis of documents produced by his advisors and the commitments assumed during the election campaign." He called another meeting of the Executive Council for 29 January, to be attended by all the presidents of the regional directorates, to define the strategy for reuniting the party cadres.

Aloysio Chaves, the leader of the government in the Senate, made a speech asking the PDS not to divide into factions and to unite to assume its "historical role as the opposition party." Deputy Bonifacio de Andrade (PDS/Minas Gerais) reminded that "Tancredo Neves assumes the Presidency of the Republic with many authoritarian powers," and he advocated that the PDS engage in the struggle to revoke the current legislation, to turn the country into a real democracy. Rio Grande do Sul Deputy Victor Faccioni called for the installation of a parliamentary government, with direct elections for the president of the republic.

Only 7 of the 14 members of the National Executive were present at the meeting, which is why no decisions were made. Amaral Peixoto was able to coordinate the party's participation in the elections for the chairmanships of the two houses of the Congress.

After the meeting, Peixoto assured that he would work for the PDS. "We are already fully engaged in this work, which will go on throughout the coming months. We are going to call on many comrades to return to the government," he declared.

When newsmen asked if the PDS would form the opposition to Tancredo Neves, the Rio de Janeiro politician replied: "To my friend Tancredo Neves, no. To the Tancredo Neves government, yes. We are going to meet our commitments," he said. Deputy Amaral Neto (PDS/Rio de Janeiro) applauded. "Good answer. The old man is very secure." When asked to define what he considers responsible opposition, the Rio politician explained: "Responsible opposition is not demagogic; it does not attack the government on pointless issues. Serious problems can and should be rigorously examined."

The newsmen also asked if the PDS might participate in the future cabinet, but Amaral replied that if anyone accepted a post, it would be on his own account. "The PDS cannot accept cabinet posts if it is to assume the role of the opposition," he commented. Deputy Antonio Farias (PDS/Pernambuco) agreed with Amaral. "We will form a rational, responsible and constructive opposition. We might even agree with proposals that are in the interest of the country, because we will not be a stubborn, radical opposition."

Deputy Armando Pinheiro, secretary general of the party, insisted that "Deputy Paulo Maluf was one of these responsible for the civilian succession. "But for his pertinacity, perhaps we would not have had a succession with the civil and political outlines we are witnessing now. We are going to carry out the historical mission of forming the opposition and seeing that the future government keeps its promises, so that the opposition will not be thwarted in its commitment to great changes."

Deputy Amaral Neto commented on the reports regarding Peixoto's possible intent to have the PDS align with the future government, and assured that the party will form the opposition.

"It is an insult to Amaral Peixoto. The PDS will be the opposition. Not to the person of Tancredo Neves but to his government, within the criteria of reason, within logical and normal bounds. Above all, we have to know how many of us there are, and this cannot happen until the spirit of the Liberal Party is made manifest."

Another Malufist, Deputy Josias Leite (PDS/Pernambuco) took the same line. "We held our peace during the meeting, but no one will lead us to support Tancredo Neves, no. Because we have a majority in the Executive and in the directorate."

6362
CSO: 3342/90

BRAZIL

FRENCH DEFENSE MINISTER SILENT ON PUMA HELICOPTER SALE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jan 85 p 2

[Article by Reali Junior]

[Text] Paris--The French defense minister yesterday refused to confirm the imminent sale of about 30 Super Puma helicopters, equipped with Exocet AM-39 missiles, to the Brazilian Armed Forces, as reported yesterday in the FINANCIAL TIMES of London.

A French source divulged that, in this type of negotiation, Paris is not accustomed to announcing potential arms sales before the buyer makes his decision known. The French Government is prepared to grant exceptional credit conditions so the Brazilians can opt for the model manufactured by Aerospatiale and not the U.S. model from the Sikorsky group. Another source confirmed, however, that the negotiations are well along and could be concluded soon, but he explained that the number of Super Pumas to be acquired had not been completely settled yet, because this will depend on the amount of credit to be granted.

In addition to the Super Pumas, another 15 Ecureuil helicopters, built in France, will also be ordered. This acquisition will raise the total value of the contracts currently under negotiation, which could reach 1.8 billion francs, or a little less than \$200 million.

The FINANCIAL TIMES, which published the report, also divulged that the French are financing 100 percent of the value of the purchase, in addition to a second credit concession of 80 percent of the first figure for the purchase of supplementary material. These credit conditions, considered exceptional, are in line with the aggressive policy adopted by France in exporting war materiel, to compete with the United States for the weapons market. The North Americans could not offer the same conditions to Brazil because the U.S. Government has placed restrictions on the financing of exports of war materiel.

Today France is the world's third largest arms exporter, exceeded only by the United States and the USSR. Last year the French arms exports totaled 31.6 billion francs, contributing to a significant reduction of the French trade deficit. In 1984 French arms sales went up 48 percent over the previous year.

6362

CSO: 3342/90

BRAZIL

BRIEFS

CUT SCORES NEW CONFEDERATION--CUT (Sole Central Union of Workers) and the six "independent" unions in the interior of Sao Paulo State (Sao Bernardo do Campo, Santo Andre, Itu, Sorocaba, Campinas and Sao Jose dos Campos) issued a joint communique yesterday, repudiating the way in which the National Confederation of Metalworkers was created on Saturday, with Joaquim dos Santos Andrade as president; Andrade is also president of the Sao Paulo Metalworkers' Union. "There about 1.5 million metalworkers in the country," the note states, "and none of them was consulted about the statutes of the organization; none of them voted to elect its leadership. Actually, this is another organization created from the top downward, starting with the top linked to the Ministry of Labor." The document continues: "We cannot ignore that the architects of the confederation are the same people who deserted the struggle for free and direct elections for the president of the republic in midstream. They are the same ones who are against free and direct elections for the federations." At the same time, the document defends the CUT, "whose national leadership was elected by 5,000 workers in the city of Sao Bernardo do Campo, in a congress preceded by discussions throughout the country." The note, which was also signed by the workers' committee of General Motors of Sao Caetano (linked to the union opposition) and released through the Sao Bernardo do Campo Metalworkers' Union, concludes with the observation that "our struggle is for free and direct elections at all levels, including the labor federations and confederations." [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jan 85 p 33] 6362

INFLATION FORECASTS--The inflation rate for the last 12 months will jump from 223.8 percent to 233.2 percent in January, as a result of the 13-percent rate in January. For February, the rate should be 12 percent, as against 12.3 percent in February of last year. In this case, the 12-month rate will drop to 233 percent. These are the official forecasts released yesterday by an authoritative economic advisor, who routinely follows the IGP (General Price Index), which is formed by the IPA (Wholesale Price Index), with 60 percent of the weight; the ICV (Cost of Living Index) with 30 percent of the weight; and the ICC (Civil Construction Index), with 10 percent of the weight. To arrive at an inflation figure of 13 percent in January, the government predicts an IPA of 13.4 percent, an ICV of 13.7 percent and an ICC of 6.5 percent. For the 12-month period, the IPA will stand at 239.9 percent, the ICV at 219.4 percent and the ICC at 215.2 percent. The 12-percent inflation figure for February is based on a predicted IPA of 11.1 percent, or 26 percent for this year [to date] and 237.5 percent for

the last 12-months; an ICV of 11.4 percent, or 26.7 percent for the year [to date] and 222.0 for the 12-month period; and an ICC of 25.0 percent, with a cumulative rate of 23.1 percent this year and 223.7 percent for the last 12 months. If the rates of 13 percent and 12 percent are confirmed, inflation for the first 2 months of this year will be 26.8 percent. Hence, when President-elect Tancredo Neves assumes office, he will already be taking on a burdensome legacy of a 233-percent inflation rate--and the inflation rate predicted for March is no smaller; it should also be at about 12 percent. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jan 85 p 32] 6362

CVRD SCORES PROTECTIONISM--The Companhia Vale do Rio Doce [CVRA] rejects the arguments presented by four U.S. mining companies to impose surtaxes on exports of iron ore pellets by Vale and Samarco. It has already engaged an attorney in the United States to contest the claims that the Brazilian product benefits from credit and tax subsidies. According to sources in the CVRD administration, the Brazilian exports of iron ore pellets to the United States are in accordance with the prices in effect on the international market, established in annual negotiations between producers and consumers of several countries. "The CVRD takes part in these negotiations, but the determination of the prices is not solely our responsibility," According to the sources, three U.S. producers of iron ore and pellets--Cleveland Cliffs Iron, Oglebay Norton and Pickands Mather and Co--along with the USW, the American steelworkers' union, have gone to the U.S. Department of Commerce, requesting that surtaxes be imposed on Brazilian iron ore pellets. The suit was filed simultaneously with two bodies--the ITA (International Trade Administration), an organ of the Department of Commerce, and the ITC (International Trade Commission), a special advisory commission to the President of the United States, approved by the Congress. The claimants hold that the credit and tax subsidies for the Brazilian pellets exported to the United States have given them an unfair advantage over North American products, causing financial losses and reduced employment in the sector. The purpose of the suit is to restrict Brazilian exports of pellets--the form in which most iron ore is consumed in the American steel industry--and thus ease the situation of the U.S. miners. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jan 85 p 38] 6362

CSO: 3342/90

CHILE

CENTRAL BANK INSTALLS NEW PRESIDENT, VICE PRESIDENT

Santiago ERCILLA in Spanish 9 Jan 85 p 16

[Text] Last Monday morning, 7 January, the two top officials of the Central Bank and the new director of the Internal Tax Service took office.

The presidency of the Central Bank was assumed by Col Enrique Seguel Morel, who is succeeding Francisco Ibanez. The new bank executive had arrived in Santiago just a couple of days before, since at the time of his designation he was serving as economic adviser to the Chilean Mission to the Organization of American States (OAS) in Washington.

Second in command under Seguel at the Central Bank will be the new vice president, economist Alfonso Serrano. Serrano, who left his post as under-secretary of social benefits to take this job, will replace Felix Ruiz, who has been named indendant of banks.

The first thing the two executives of the Central Bank did was to meet with Finance Minister Luis Escobar Cerda in a 2-1/2 hour meeting. At the end of the session, Col Seguel stated that "the pragmatic policy will continue" with regard to his work at the head of the bank. In Seguel's opinion, the national economy has already come out of the recession. "Now we have to have more faith in the future in our thinking, and we must be confident that the country will begin on a path of growth," he added.

Last year, the new president of the Central Bank was a noted participant in meetings in Colombia and Argentina to deal with the matter of the foreign debt.

Francisco Fernandez, a civil engineer, begins his job this week as the new director of the Internal Tax Service. The post was turned over to him by attorney Jorge Varela, who had held it since May of last year. Fernandez, who joined public administration in 1980, participated in the computational modernization of the Civil Registry. He was head of the Medical Legal Institute from mid-1981 to late 1983. He also served as a consultant to the top officials of the service he now heads, when Felipe Lamarca held his present job.

8926

CSO: 3348/285

CHILE

ECONOMIC INDICATORS SHOW SLIGHT TRADE BALANCE SURPLUS

Santiago EL MERCURIO in Spanish 13 Jan 85 p B1

[Text] The economic indicators for the month of November show signs of stagnation in the industrial sector, progress in employment, a slight improvement in foreign trade, and a drastic decline in real liquidity. Some of these results were undoubtedly caused by the short-term effects of the economic measures announced by the government on 17 September.

The Industrial Development Association (SOFOFA) production index showed a slight increase over the seasonally adjusted figures for November and October, but that did not cause the monthly average for the second half of 1984 to be about 1.6 percent lower than the average for the first 6 months. Industrial sales registered a significant decline in November, close to 5 percent, which brought the monthly average for the second half of the year to a level 0.7 percent lower than the average of the first half. These statistics confirm that despite the significant growth that has been demonstrated in the manufacturing sector between 1983 and 1984, the recovery took place in the first part of the year. Since then, that level of production has merely been maintained, with a slight downward tendency.

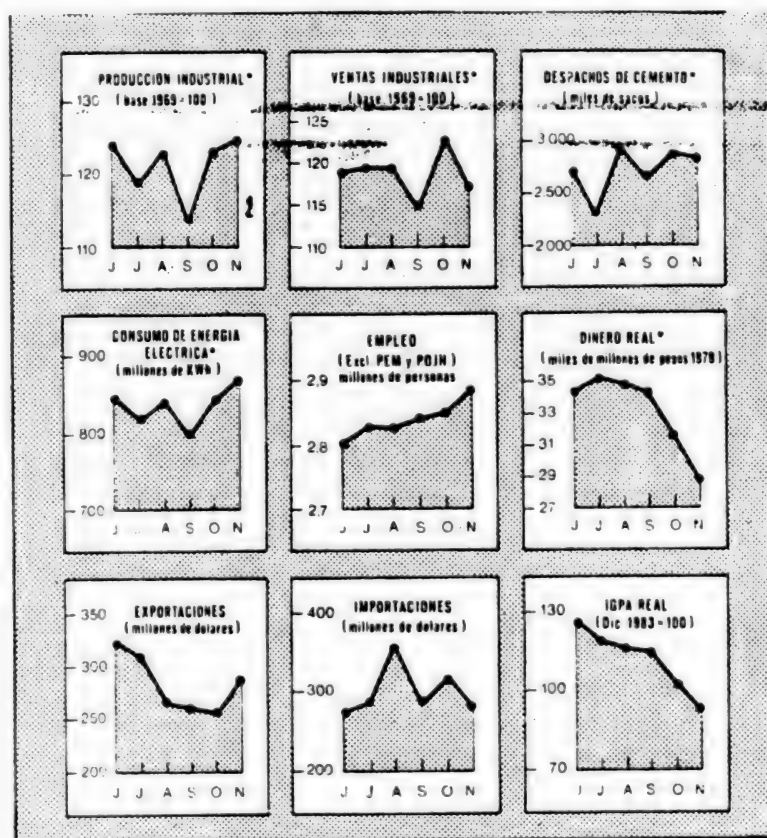
Cement shipments on the domestic market, as a partial indicator of the situation in the construction sector, also fell slightly in November. The monthly average for the second half of the year was 2.4 percent below the average for the first 6 months of the year. The consumption of electrical power, on the other hand, in seasonally adjusted figures, rose by about 3 percent in November, bringing the monthly average for the second half to 1.3 percent above the first half's average.

The statistics on productive employment, excluding the Minimum Employment Program (PEM) and the Employment Program for Heads of Household (POJH), were probably the most satisfactory of all in November. These figures, which reflect the September-November quarter, reveal an increase of 29,000 jobs, much higher than the increases registered in previous months. It should be noted that some seasonal factors may have had a significant impact on this trend, as indicated by the fact that much of this increase (21,200 new jobs) was concentrated in agriculture. In any case, it is noteworthy that between December 1983 and November 1984 there was a growth of 234,000 productive jobs.

The balance of trade showed signs of improvement in November. After 3 consecutive months of negative trade balances, there was a slight surplus of nearly \$11 million. Imports rose to a total of \$278 million, which is still a high level but somewhat less than the average for the second half of the year. Exports, on the other hand, rose to \$289 million, some \$30 million more than the average for the previous months.

It was on the financial sector, however, that the measures taken in September had the greatest impact. Real private money, in seasonally adjusted values, fell by nearly 17 percent over a period of 2 months. This was attributed first of all to the behavior of economic agents, who tried to reduce their holdings of money in view of the abrupt change in inflationary expectations, and later to the restrictive policy pursued by the Central Bank in terms of the expansion of credit. Interest rates began to rise toward the end of November, which led to another drop in the stock market. The General Index of Stock Prices (IGPA), in real terms, fell to the lowest level of the year in November, approximately 10 percent below the level attained in December 1983.

Indicators of Activity



(*) Series ajustadas estacionalmente

Key:

1. Industrial Production* (base 1969 = 100)
2. Industrial Sales* (base 1969 = 100)
3. Cement Shipments* (thousands of sacks)
4. Consumption of Electrical Power* (millions of KWh)
5. Employment (except for PEM and POJH - millions of people)

Key (continued)

6. Real Money* (billions of 1978 pesos)
7. Exports (millions of dollars)
8. Imports (millions of dollars)
9. Real IGPA (December 1983 = 100)

(*) Seasonally adjusted series

8926

CSO: 3348/285

CHILE

MAJORITY OF PINOCHET'S KEY ADVISERS ARE MILITARY MEMBERS

Santiago QUE PASA in Spanish 10 Jan 85 pp 8-11

[Article by Patricia O'Shea: "The President's Men"]

[Text] "...those cautious, disciplined men like palace guards who are invariably called 'the president's men.'" Carl Bernstein and Bob Woodward

That is the way the two WASHINGTON POST journalists described the president's men at the beginning of their investigation of the Watergate case which ended with Richard Nixon's resignation from the presidency of the United States.

This is not the history of a Watergate or anything like that. It is simply about those men whom President Pinochet trusts, delegates to and keeps close to him. The success or failure of any action that a businessman, politician or statesman undertakes depends to a great extent on the collaborators he chooses. Those men who often do not make news--or are unknown--but who are or have been President Pinochet's men will undoubtedly hold a place in the history of the achievements and failures of this leader. The loyalty of these men is proven because that is the main reason they are in that category.

Who are they? What do they do? Where are they? Where do they come from? Every president has had them. They are the ones who actually do the government work. They are men to whom missions are entrusted or who are consulted. That is no mystery. At times they are ministers in the cabinet. Occasionally they are direct advisers. This has changed throughout these 12 years of government.

A "president's man" does not fit a certain pattern. His characteristics lie between the lines and consist of subtleties. The fact that the president stresses confidence in an official does not necessarily mean that he is part of this select group. As we said, they have sometimes been military and sometimes civilians. At times the cabinet has held the reins and at other times the president himself...through his team as in a business. There are some who left and are no longer the president's men. Others look like they will be forever. There are those who have been very close to him or with him for a long time but have not been his men. Others may be far from government work but will always be the president's men.

Although there are civilians, these men in their great majority today are in uniform and are in the right wing of La Moneda. This must be so due to the nature of this regime. Loyalty toward their superior in assignments entrusted to them is an indispensable condition for the military anywhere.

Several different types can be distinguished in these men.

Obviously in the beginning, "his men" were mostly the military, those who participated in the military pronouncement from important positions and, after, took on government tasks.

Pinochet and the government junta entrusted the political leadership to the military for many years. This was not true about the economic area where civilians were included from the beginning, proposed by the military themselves.

Civilian Side

In 1978 there was a great change which did not surprise the members of the government. It was decided to appoint the first civilian--Sergio Fernandez--to be minister of interior. The former comptroller and minister of labor was asked--for the only time during these 12 years--to appoint the cabinet. It was the first civilian cabinet.

At this time, people not in uniform were very close to the president. It was at this stage when many officials in the cabinet became the president's men. Sergio Fernandez and Sergio de Castro, in politics and economics, come to mind. Through them or with them, many others eventually joined the government at intermediate and high levels. They were part of it or distinguished themselves in their work and became his trusted men. He delegated to them. To name just a few, these included Miguel Kast, Hernan Felipe Errazuriz, Ramon Suarez, Felipe Lamarca, Hernan Buchi, Alfonso Marquez de la Plata and Enrique Valenzuela.

Some of them continue to be his trusted men.

He entrusted a lot to them. Their philosophy and opinion were the philosophy and opinion of the government. That was not questioned. The cabinet ruled at that time; this is not true today.

One exception to these men was a woman, Monica Madariaga, minister of justice and education and now ambassador to the OAS. The mutual friendship and trust between the president and Monica Madariaga made her an important woman in the government. Perhaps those same opinions little by little distanced her from Pinochet. Today she is in Washington.

This does not mean that she will not again be one of the president's men later. This happened with Minister Marquez de la Plata. His return to the government in August 1983 was arranged directly by the president. From the Secretariat General of the Presidency, he became one of the president's men.

There are other civilians who are also the president's men. One is the already mentioned Hernan Buchi whom Pinochet has appointed to various economic

positions. He has been suggested recently as minister of economy but this appointment has not materialized. It is known that he is trusted.

Within the current cabinet, those who are considered the president's men include Ministers Hugo Rosende, Jaime del Valle, Miguel Angel Poduje and Francisco Javier Cuadra. This might be because they were not selected by the head of the cabinet, Sergio Onofre Jarpa. Or it might be because they have gone beyond their ministerial functions to become part of the team the president trusts and consults most. Despite Cuadra's youth and the fact that he has only been on the cabinet for 2 months, he is mentioned as an official who has quickly won the president's trust.

Other civilians mentioned are people who have been tied to the president personally. That is the case of Luis Simon Figueroa and Manuel Martin. Today Figueroa is director of ODEPLAN [National Planning Office] although some question his real influence.

Manuel Martin has been his friend for many years and the president has trusted his economic advice so much that he appointed this businessman minister of economy even though he openly disagreed with the Chicago team at a time when the latter was still strong within the government. He frequently accompanies the president on his trips and is a frequent guest of the president. One source, however, questioned his influence. Having the necessary influence to impose certain lines of action is not the same as having the ability to obstruct--that is, convincing the president not to appoint certain people.

Although his position as "president's man" is questioned by many, Sergio Rillon's opinion on church matters has been important.

Right Wing of the Palace

Is Sergio Onofre Jarpa the president's man? That is a good question. It is frequently pointed out that both compromise well. They "provoke" each other. Despite disagreement, patriotism unites them. Without question, he at one point was the president's man when he was entrusted to head the process of opening. Will he continue to be now that this process has failed?

The general impression is that the president's men today are on the other side of the palace. With some exceptions, they are not in the cabinet. The decisions are made elsewhere; that is the real government. Jarpa has personally experienced this. It suffices to recall how and where his participation on the cabinet was arranged.

Today these men are mostly military men. Those are his men. They have been for these 12 years and they are more openly today in both economic and political matters.

This is the other side of the president's men.

It is the main side.

Loyalty, efficiency and complete discretion are the main characteristics of Pinochet's direct collaborators. They also are and must be tireless workers to be able to follow the president's "training." According to those who work close to him, he is inexhaustible even during his days of "rest" in Bucalemu.

They also do their work completely anonymously. They do not imagine it can be any other way. They like it to be that way. It bothers them if their names or their work is even mentioned. They work in complete anonymity as far as public opinion and image are concerned. They feel that they are there to carry out a mission, not to forge a certain image. Very few of them are known or make statements to the press. They work basically in the right wing of La Moneda with the presidential cabinet. They are his right hand: on the first floor, the Secretariat General of the Presidency, and on the second floor, the military headquarters.

Major General Santiago Sinclair presides over that wing. He is the "key" man. Perhaps because of his military training and because of the position he holds, he usually does not give press interviews. At the funeral of the assassinated Gen Carol Urzua, the public had the opportunity to listen to his heartfelt words. For many it was the first time they had heard him and perhaps the only time they had seen this general staff officer of the cavalry, a professor at the Academy. He had been a UN observer at the Suez Canal and, since 1979, has worked with the president on government tasks. He is the key man but not the only one.

The military side of the president's advisers has several sources and ramifications. There are those soldiers who, due to their rank, directly participated in the military regime's arrival to power and its subsequent consolidation.

He has known some of his other collaborators throughout his military career in different assignments. He met Gen Julio Canessa, today assistant commander in chief of the army, in 1943 when Pinochet was the lieutenant instructor and Canessa the cadet.

However, although the president assigns them government tasks, he has not neglected the military career they must follow. They have chosen it as a vocation and profession. They must distinguish themselves in that. That is why there have been frequent comings and goings from military positions to government positions without it meaning necessarily that they have not been good in some of them. We were told that the president has been very concerned about this aspect.

One of those men who has collaborated with the president from the beginning who is not in the army is retired Adm Patricio Carvajal. He has twice been minister of defense (position he now holds) and once minister of foreign relations.

Trajectory That Speaks for Itself

There are others whose trajectory between the military and the government says a lot about their closeness to the president. Several of them have been or

are part of his team and will continue to be: General Canessa, General Covarrubias, General Badiola, Gen Roberto Guillard, Gen Bruno Siebert, Gen Luis Danus, Gen Alejandro Medina Lois, Gen Roberto Soto Mackenney, etc.

Within this group of generals, Humberto Gordon, director of the CNI [National Information Center] with whom the president is in constant contact, deserves special attention. It suffices to say that this position is his exclusively.

There are other soldiers--not generals--who have collaborated closely with the president and held important positions. This is the case of his aides-de-camp: Col Hernan Ramirez, Brig Jorge Ballerino, Brig Gen Luis Hernan Serre, Lt Col Ramon Castro Ivanovic and Col Guillermo Garin.

There are still others. They are the president's men in the economic or political area without the latter ever being confused with partisan politics. The president has his men in the economic sector despite his confidence in his ministers. There is a group of military appointed by the president who hold key positions in that area today. They are: the undersecretary of economy, Jorge Valenzuela; undersecretary of the treasury, Col Manuel Concha; president of CORFO [Production Development Corporation], Col Fernando Hermazabal; and president of the Central Bank, Col Enrique Seguel. They are the president's men despite the fact that they have good relations with their immediate superiors in the ministerial posts.

In the political area--or general government--it is even more noticeable that his men are not in the cabinet. On the contrary, the weight it had before today lies in the Secretariat General of the Presidency.

General Staff

The background of this secretariat goes back to 1977 when the Presidential General Staff was created. It was considered necessary because of the different and simultaneous positions that the president held. Its function was to "advise constantly...in all areas of political leadership of the country and coordinate the information the other public organisms should supply to the chief of state." Since then it has been the organization that advises him, reviews all the background, sees people and the work program, draws up and evaluates information and finally presents the previously studied alternatives to the president! It was directed for a time by General Covarrubias and then by Gen Rene Escauriaza who died in 1979 while at this post. The sources we consulted have good memories of him. He was a key man, decisive. He was replaced by General Santiago Sinclair who was then in the Army General Staff.

Parallel to that general staff, there was first the COAJ [expansion unknown] and then the COAP [Advisory Committee of the Presidency] which studied all the background and bills sent up by different ministries. It examined the feasibility and legality and restudied those bills to write a final report to the president with the respective recommendation. That work was generally technical. While the cabinet was mainly civilian, the military predominated on these teams.

In 1982 the president announced the creation of the Secretariat General of the Presidency which would partly combine those organisms, especially COAP and the Presidential General Staff. Of the 280 officials at that time, about 130 were active-duty military. At that time--and this might have been one of the reasons for this merger--the criticism was that those organisms represented dual functions with respect to the cabinet. Therefore, many bills were delayed, did not pass or were changed. It was a "minicabinet" that diminished the reliability and efficiency of the official cabinet.

Who was in it? They are mostly unknown to the public. Although they have easy access, they prefer to maintain their anonymity. Exceptions are General Sinclair who is better known and retired Gen Fernando Lyon, a lawyer and auditor general of the army since 1978. He, like Sinclair, is very close to the president and watches over legal aspects.

However, most of these men are general staff officers--that is, during their student years they opted for the War Academy, not the Polytechnical. At the War Academy, in addition to military instruction, they study economics courses, political science, foreign relations or law. (The military courses include branches of strategy or geopolitics.) Although it is not a complete education in the nonmilitary areas, they themselves agree that it is enough to have a general idea of those other topics. After their studies are completed, they frequently take regular courses in the university, postgraduate courses in political science or foreign relations. Sometimes they take advantage of their foreign assignments to complete their studies there. This has educated them in the different government jobs that circumstances have made them hold.

There They Are

Because of this training, their analysis of reality has sometimes been different from the civilians, especially the politicians. They are not identified with parties. They have clearly maintained their impartial nature. This same training makes them much more meticulous in their analyses and accustoms them to working in an efficient and planned way. Each decision or step is evaluated or restudied from every angle. They do not improvise measures, government strategies or programs.

The work that these officials carry out today is vital. The government, without that secretariat, is not the real government. Everything the president sees passes through there even though he consults whomever he thinks best and then makes a decision. Nevertheless, everything goes through there. The ministers come there with their bills. The meetings, audiences and activities of the president are arranged there. They evaluate and constantly inform the president about everything that is done or not done even by the ministers. All the information is there. (There is even a closed circuit computer and screens to store all that information.) The "courses of action" are chosen there.

Its importance compared to the cabinet has increased. As the president withdrew trust or importance from his ministers, this secretariat was reinforced. It is well known today. For example, it is noted more often in the private opinions of the ministers: "I personally feel...." This was not heard before.

This is also noted in the "by order of the president" that is also repeated more insistently today. Perhaps the cabinet itself does not have confidence in its responsibility. Therefore, the president today is like the great arbiter who decides everything...with his men. He no longer delegates.

Despite all the virtues of the work of this secretariat, its help and advice to the president, this is where the large "but" comes in. It does not have public responsibility for its successes and mistakes. In practice, it is responsible for an infinite number of decisions. It creates that feeling of duality with respect to the cabinet and mistrust because of the weight of its opinions. Also there are those who fear that its military structure and hierarchy at times prevent the necessary discussion of measures with the president.

In any case, that is where the changes in cabinet and strategies are decided. They have consummate knowledge of strategy, much more than the civilians. In those offices they talked with Jarpa about that "political plan"--without the participation of the minister of interior and the rest of the cabinet. They met in that office. That resulted in further diminishing the importance of the ministers. Today there are no signs that this secretariat has stopped holding that important position as adviser to the president. On the contrary, its opinions are vital. Although the meetings are held in the Ministry of Interior, the information on the effects of the state of siege is also being evaluated and compiled here. They consult a broad gamut of equally anonymous civilians. The strategy for next year and the future years is also being evaluated here. They work on the long term. They are not stuck in the present.

These are the president's men. Are they also his friends? General Canessa answered: "We explain things....It is not usual in the army for a subordinate to say he is his superior's friend. However, this continually occurs under the norms of mutual respect, the basis of every understanding friendship." In any case, they are the most loyal workers and, at times, the anonymous president's men.

7717

CSO: 3348/283

CHILE

COMMUNIST PARTY OFFICIAL VIEWS CRISIS

PA041243 Havana International Service in Spanish 0000 GMT 3 Feb 85

[Interview with (Hugo Facio), a member of the Political Commission of the Communist Party of Chile; date and place not given; questioner not identified--live or recorded]

[Text] [Question] How do you view the recent resignation of the Augusto Pinochet regime's ambassador to the OAS? What does this resignation represent?

[Answer] It is a new and a very clear example of the weakening of the regime and the criticism of it. The Pinochet regime is politically and socially isolated. Its base of support is becoming increasingly smaller. Sectors that supported the dictatorship have begun to express their disagreement with it. Regardless of the specific reasons for her action, Monica Madariaga's resignation must be viewed within this framework. I think it must also be analyzed within the framework of other processes that are taking place in Chile. In this regard, I would stress the search by various sectors and forces for a solution to the serious Chilean crisis that is definitely provoked by fascism. One must note that U.S. imperialism is also involved in this search. U.S. imperialism knows that with Pinochet it can maintain the exploitation of Chile at the current high level, but it cannot resolve a fundamental problem, which is how to achieve a stable future. It can survive with Pinochet, but in a situation of increasing radicalization and polarization of forces. The U.S. imperialist officials themselves have stated this. They are definitely afraid of this polarization of forces. In this framework, the various political figures and political officials of the regime, such as Monica Madariaga--which is not the only case--have begun to take positions. I would stress that this is an expression of the regime's deep political and social crisis. It is an overall crisis. To date, Pinochet has handled it by resorting to terror. He will have to use terror and violence in the future as a means to try to stop a definitely irreversible process.

[Question] It has been seen in Latin American history that dictators who have been faithful followers of the U.S. policy in some countries of our America have stopped being good instruments and have become a contradiction for the U.S. policy. The U.S. propaganda media recently said that Pinochet

should set his watch at the correct time and realize that there is a process of democratic changes in South America. It has been noted that some men who were U.S. agents in Latin America more than 50 years ago, such as Trujillo in the Dominican Republic and Machado in Cuba, were liquidated by the United States. How do you view the outlook for the cooperation and at the same time the confrontation between the U.S. policy and dictator Pinochet?

[Answer] I would say that the relation between U.S. imperialism, the Reagan administration, and Pinochet is based on a basic contradiction. The basic contradiction is that with Pinochet they have the sacking, exploitation, and control of the country assured. However, with Pinochet they cannot create a stable future in the country. As I said before, they would have to survive in instability. That is a clear contradiction that is constantly shown in the studies of U.S. analysts and that is reflected in all aspects, including the U.S. investments in Chile, which have shrunk. They were smaller than ever in 1984. It is also shown in the position of the U.S. banks. Many studies by U.S. banks declare Chile to be a [word indistinct] country. Other studies by U.S. banks state that the Chilean crisis is so deep that there is a situation of social and political disintegration. U.S. imperialism is alarmed by the course of events in Chile. They are maneuvering, trying to find a solution. They are facing a big problem in finding that solution. That problem is the strength of the popular mass movement in Chile and, as they have also had to recognize, the prestige and the influence of the communists and the People's Democratic Movement. This greatly limits their maneuvering room.

CSO: 3348/346

CHILE

NAVAL TASK FORCE ON SECOND ANTARCTIC JOURNEY

Santiago LA TERCERA DE LA HORA in Spanish 15 Jan 85 p 14

[Text] Three ships from the National Navy, on the second voyage of the 39th Antarctic Commission, arrived at the Chilean Antarctic Territory, carrying replacements for the personnel of the "Prat" and "O'Higgins" bases, as well as general supplies of fuel and materials.

The Antarctic Commission, commanded by frigate captain Jorge Vergara Dukic, makes three trips during the summer months, and the second trip, which should end at Punta Arenas on next 31 January, is currently in progress.

Taking part in these operations are the Antarctic transport "Piloto Pardo", the oceanographic ship "Yelcho" and the lighter "Rancagua", which make up the Antarctic Task Force that performs its duty every year for the benefit of those who protect Chile's sovereignty in these latitudes.

First Voyage

The first trip took place last December, carrying replacements to the Navy and Army bases as well as fuel and construction materials for the Chilean air force base "Teniente Marsh", which is in charge of settling families at Villa Las Estrellas.

As is traditional in the frozen territory, the naval troops, as well as the ship commanders, exchanged visits and greetings with the foreign bases and units.

These are the Soviet base "Bellinghausen", the Argentine "Jubany", the Brazilian Antarctic ship "Barao de Teffe", and the Polish base "Artowsky", among others.

Navy authorities said that this is one of the ways of contributing to the national Antarctic development, in close collaboration with other branches of the Armed Forces. Presence is thus consolidated in the Chilean territory, which has great possibilities for infrastructure, services and an appreciable national population.

They also gave assurances of continued provision of material and human resources to make possible the process of incorporating the Antarctic region into the national economy.

9907

CSO: 3348/306

CHILE

BRIEFS

MARCH PROTEST DRIVE PLANNED--Chile's National Workers Command [CNT] has exhorted the people to participate on 27 March on the 22d national protest drive to demand that the military regime return democracy to that South American country. Led by union leader Rodolfo Seguel, the CNT has agreed to begin taking steps immediately so that all the opposition political groups and social sectors will join the protest drive. The first national strike under a state of siege was held last November and, according to the analysts, it is almost sure that this new protest will be held under similar conditions, as the Chilean regime is ready to extend this measure for another 3 months. According to other dispatches, Pinochet's dictatorship has released Chilean writer Jose Donoso, who was detained Wednesday in Castro, in the south, along with 20 other intellectuals and teachers who were participating in a solidarity event with three teachers expelled from their posts. [Text] [Havana International Service in Spanish 1600 GMT 1 Feb 85 PA]

UNEMPLOYMENT FIGURES DIFFER--Not a few analysts were surprised by the fact that the Central Bank's BOLETIN MENSUAL [Monthly Bulletin] for November 1984 included, after a long hiatus, the employment statistics compiled by the Economics Department of the University of Chile. The unemployment figure for September was 18.5 percent, as opposed to the 15.3 percent calculated by the National Statistics Institute for the same period. The total number of jobless workers reached 771,600; if to that figure we add the workers in the Minimum Employment Program (PEM) and the Employment Program for Heads of Household (POJH), we obtain a total of 1,085,922 unemployed workers in September. [Text] [Santiago HOY in Spanish 14-20 Jan 85 p 12] 8926

DIPLOMATIC APPOINTMENTS--The Chilean Foreign Ministry spokesman reported today that the Government of Uruguay has approved the appointment of Juan Guillermo Toro Davila as Chilean ambassador to Uruguay. He also confirmed that Jorge Iglesias, former planning department deputy director, has been appointed charge d'affaires in Zaire. [Summary] [Santiago Domestic Service in Spanish 1630 GMT 24 Jan 85 PY]

NEW FRENCH AMBASSADOR--French Ambassador Leon Bouvier will end his mission in Chile on 16 February. He will be replaced by French Ambassador to Iraq Paul Depis. [Summary] [Santiago Domestic Service in Spanish 2200 GMT 6 Feb 85 PY]

COLOMBIA

CONSTRUCTION GROUP PREDICTS ECONOMIC DIFFICULTIES IN 1985

Bogota EL TIEMPO in Spanish 22 Dec 84 p 6-C

[Text] The construction industry has predicted a "vertical drop" in that sector next year, and disclosed that, in 1984, a meager supply of financial funds brought about unemployment estimated at between 350,000 and 400,000 persons.

The chairman of CAMACOL [Colombian Chamber of Construction], Tulio Echeverry Roiz, in making an assessment of what happened on this front during 1984, claimed that "it was an exceptionally hard, difficult year"; despite the fact that it became the second best for construction.

He predicted that, in 1985, the situation will be even worse, because of the cuts in public investment to be made by the government and a disturbing outlook for the UPAC [Savings Certificates with Constant Purchasing Power] system.

CAMACOL's staff also charged that many construction firms have gone bankrupt, and others are on the brink of disintegration; which will cause greater social problems for the country, owing to the large number of people who will be jobless.

According to CAMACOL, the present government's low-cost housing plan did not meet the established goals this year, despite the efforts, both public and private, expended. Of 133,000 dwellings that had been planned, only 90,500 were built; and, out of an investment estimated at 135 billion pesos, only 98.5 billion was executed. The reduction was 21.3 percent in investment and 11.0 percent in the number of dwellings, in comparison with 1983's figures.

Of those amounts, INSCREDIAL [Territorial Credit Institute (same as ICT)] constructed 38,000 dwellings, a fact acknowledged by the CAMACOL board members.

They called attention to the seriousness of the budget cut that ICT will undergo next year (of over 21 billion pesos), and its impact on low-cost housing construction. That state agency will have only a margin of 7 billion pesos for investment, and the number of dwellings will be only 23,000.

Gloomy Prospects

CAMACOL noted in its assessment that the situation for 1985 appears to have serious problems, and that the prospects for the construction industry and the housing plan are "gloomy."

It is estimated that, next year, a total of only about 96.3 billion pesos will be invested to build only 60,000 dwellings. The government's projections in this area cite a minimum of 100,000 dwellings annually, in order to reach the goal of 400,000 during the 4 years of the present administration.

"We shall have a vertical drop," claimed Echeverry Roiz, who noted that, in 1984, the construction industry declined over 1983, even though, in view of its historical progress, this was its second best year."

CAMACOL indicated the following as negative occurrences which will hamper the success of the housing plans:

The investment of the UPAC system's liquidity surpluses in government securities to help solve the fiscal crisis;

The cut in spending, with emphasis on the public investment front;

ICT's debt (of 6 billion pesos) and the budget cut for the same agency;

The reduction in deposits of the UPAC system, owing to the withdrawals at the end of the year which, it is estimated, will be drastic in 1984;

The 3-point refund of cash reserves in the UPAC system's savings accounts, which will deprive it of at least 8 billion pesos in liquidity;

The high interest rates on other securities that compete with UPAC, which will make it impossible for the latter to recover its deposits suitably;

The impact of the tax "package" approved by the Congress to solve the fiscal problem, particularly the limit of 700,000 pesos on deductions for payment of loans to purchase housing, and the abolishment of exemptions from the VAT for that industry.

Incoherence

The CAMACOL board members also criticized the lack of consistency in the management of the economic policy and, in this respect, noted that the replacement of the finance minister entailed a total change in strategy and goals.

Echeverry Roiz claimed: "The specter of the fiscal deficit and austerity have been the new minister's constant features."

He explained that this radical change in policy hurt productive investment, and was strongly reflected in the results of construction as a whole.

The association's leaders regretted that the real amount of the fiscal deficit is not known, and indicated that, on the municipal level, that problem is far more serious than the central government claims.

The CAMACOL chairman suggested to the government that it study cuts in unnecessary spending in Congress, for example, the congressional aides, the assistants' positions, the legislators' travel abroad and others, as well as a revamping of the educational system. In his opinion, it is better to make savings in those areas which affect the investment budgets.

In the analysis of the general economic situation, it was his opinion that the government erred with too much pessimism in the presentation that was made to international agencies such as the World Bank. That phenomenon helped to create distrust in the banks for granting Colombia fresh funds.

The Activity in Statistics

During the year now ending, construction permits were approved in the country's 11 leading cities on 6,500,135 square meters, a figure close to that for 1983.

In 56 cities, CAMACOL estimated that, at the end of 1984, the constructed area was close to 8 million square meters, 6.7 million of which were for housing.

In its statement, CAMACOL asserted that the turnabout that is occurring in the economic policy "could lead to virtual abandonment of the government's banner plan and of the production sectors as a whole, inasmuch as the reactivation process is embarking on a contradiction with the shock treatments that are being applied."

It added that the area for construction in 1985 would total 5.2 million square meters in the 11 leading cities, and 6.2 million in the 56 urban centers, figures far lower than those attained during 1983 and 1984.

2909

CSO: 3348/245

COLOMBIA

BUSINESSMEN'S GROUP FORESEES LOWER SALES, PROPOSES MEASURES

Bogota EL TIEMPO in Spanish 22 Dec 84 p 6-C

[Text] Cali, 21 Dec--The Valle local of the National Federation of Businessmen (FENALCO) claimed that, during 1984, the country faced one of the worst crises of this century, adding that, at the present time, countless factors are converging which will ensure a gloomy picture if timely measures are not adopted.

In an assessment of what 1984 represented for the Colombian economy, FENALCO's local director, Lucia Bellini, declared: "The signs of stagnation in the country's productive activity started appearing at the beginning of the 1980's."

She added: "But the fact is that, this year, the situation is far more disturbing."

She maintained that what has countered an effective take-off in sales is the curtailment in demand, stressing that the restriction of imports and "the torrential taxes stifling the contributing capacity of business" have been particularly detrimental to business.

According to FENALCO, the sales for the national retail trade during the first 8 months of the year showed a disturbing decline of -0.85 percent, based upon DANE's [National Administrative Department of Statistics] figures.

Mrs Bellini commented: "We are living in a period of economic recession which will be worsened if the government adopts new taxes"; noting: "There are no signs of recovery in evidence for 1985."

Excerpts from the evaluation made by the Valle FENALCO to analyze the economic situation during 1984 are as follows:

Since the beginning of the 1980's, the Colombian economy started showing signs of a severe stagnation in the most important sectors of the country's productive activity, including domestic trade. The general economic indicators for the following years corroborate this.

The severe recession has hit commercial activity especially hard, owing mainly to the inequitable, unharmonious treatment received from the state by this

sector, when alternatives for action and policies involving adjustment were undertaken for the various sectors comprising the economy.

During 1984, the country faced one of the worst crises of this century. At the present time, there is a convergence of countless factors which ensure a gloomy picture if timely corrective measures are not adopted.

Naturally, the widespread bad situation has affected the large urban areas negatively; Cali is no exception. Our sector, together with other important branches of economic activity, started reflecting negative growth rates in 1980, based on the semi-annual evaluation of their performance, both in sales and in absorption of employment. One period after another, the indicators have cited an obvious retrogression which, during the first half of this year, has already become disturbing for business owners themselves, because of the magnitude that it has reached and because trade represents a true gauge of what is happening in the entire economic environment.

The subsectorial recovery of industry is not progressing concurrently with that of the agricultural-livestock branch.

Private construction is not responding to what had been anticipated, and government construction is showing cutbacks and postponements to a considerable extent.

The investigation conducted by the association warranted the conclusion, for the period January-June 1984, that there was an insignificant growth in seven of the 29 groups in existence, based on distribution lines. Wholesale trade as a whole declined 5.5 percent; retail trade dropped 3.2 percent; and the combined total showed a negative percent of 3.9.

FENALCO reiterated the commitments announced on the occasion of the last national congress of businessmen by its directing entity:

1. The initiation of a plan to replace imports with foreign trade and a greater presence of the sector in the area of exports.

We are willing to contribute to the distribution of native products, provided there is security for quality and supplies; and, secondly, we consider it wise to acquire more significance in the economic area as a whole, in the realm of generating foreign exchange.

2. Consolidation of facilities for the take-off and technification of small business, considering its valuable role in food distribution.

3. Adoption of a national system for price information and consumer protection, with assurance that with mechanisms such as these irregular situations will be avoided in the distribution sector.

4. We commercial businessmen renew our intention to cooperate in the goals of attaining a higher level of prosperity, on the basis of free enterprise.

2909

CSO: 3348/245

COLOMBIA

BRIEFS

CREDITS TO ELECTRIC SECTOR--The manager of National Electric Financing (FEN), Antonio Hernandez Camarra, announced that the entity received the sum of \$275 million from foreign loans yesterday, to be used to bolster the agencies in the energy sector. The official explained that, of the aforementioned amount, \$175 million came from commercial banks and \$30 million from the World Bank. To be added to this sum is an additional \$50 million from the World Bank, which was received previously, thereby making a total of \$275 million. [Text] [Bogota EL TIEMPO in Spanish 24 Dec 84 p 3-C] 2909

COFFEE PRODUCTION DOWN--During the period 1984-85, the coffee crop will decline by over a million bags, as a result of the effects of the winter which has ravaged the country, causing serious damage in the areas where the bean is grown in Colombia. This means that, during the current coffee year, the national production will be less than 12 million bags, in comparison with the 13 million attained during the period 1983-84. Although Colombia has stocks amounting to nearly 12 million bags, which ensure a normal fulfillment of the quota assigned by the OIC [International Coffee Organization], the producers of the bean will be hurt, because their income will decline as a result of the cut in the crops; hence the refinancing approved by the government at the association's recent congress. [Excerpt] [Bogota EL SIGLO in Spanish 22 Dec 84 p 1] 2909

CSO: 3348/245

CUBA

PLANNING PROBLEMS SLOW CONSTRUCTION OF MATANZAS POWER PLANT

Havana BOHEMIA in Spanish No 46, 16 Nov 84 pp 28-30

[Interview with Emilio Diaz Garriga, assistant director of the Basic Industry Ministry's Investment Group for the thermoelectric power plant in Matanzas, by Gregorio Hernandez, at the plant site; date not given]

[Text] We had moved just 2 kilometers along the twisting road through the industrial area of Matanzas when we descried the top of a smokestack in the distance. We were approaching what will be Cuba's largest conventional thermoelectric power plant.

What prompted our visit?

Several things. We wanted to see how the work timetable is progressing, whether it is being adhered to strictly or not, to what extent there are construction or supply problems, whether the workmanship is according to contract specifications...and whether a real effort is being made to fulfill the commitment of starting up the unit on time.

When completed, the plant will have the largest power output in the country and, thanks to its technology, use a minimum of fuel.

Most of the personnel involved in planning, organizing and directing the construction and installation work are to be found in a group of crude buildings, some of them two stories high. You cannot tell the workers from the engineers, architects and technicians, because they are all wearing dusty clothing and muddy boots; you can tell them apart only when instructions are given and consultations are held.

We were received at this creative microcosm by comrades Emilio Diaz Garriga and Ruben Ramirez Nubiola, who are, respectively, the assistant director and the programming and control manager of the Investment Group belonging to the Basic Industry Ministry.

We began a lively question-and-answer session about the pace of work on the power plant. It and the planned Supertanker Terminal are the two largest projects so far in the city by the San Juan and Yumuri rivers.

"This power plant, which will cost about 200 million pesos, 140 million in freely convertible currency," says Assistant Director Emilio Diaz, "will be very important for the National Electric Power System because it will have the highest degree of automation of the country's conventional plants. When it goes on line, it will account for about 17 percent of the country's power output capacity, and it is our firm intention to have it working by late 1985."

[Question] You mention the degree of automation at the plant. Could you provide some details?

[Answer] It will be very complex, with the latest controls, which will be run by a system of computers and a great many centralized commands. It will put out 330 megawatts, in other words, 330,000 kilowatts, which is close to the total operating capacity in Cuba before the triumph of the revolution, and it will be in operation almost all the time. That is to say, it will be a base unit, inasmuch as it will use a very small amount of fuel, around 212 grams of oil per kilowatt. Logically, it will have priority over other units in the National Electric Power System that consume much more fuel.

[Question] I would like to dwell a bit on the construction timetable.

[Answer] The construction work is being handled by Industrial Projects Construction Enterprise No 4 (ECOI 4) of the Construction Ministry here in Matanzas. Its goal for this year is 8.8 million pesos, a tough target that demands a redoubling of efforts. I say this because it fell short of the goal during the first half of the year, and as of last August it was at 45 percent. The delays have been partly caused by supply shortages: aggregates, cement, lumber, cranes and some compressing equipment. Another cause is shortcomings in the foreign blueprints, parts of which have had to be redrafted. There have also been problems because of defective supplies from the French plant.

[Question] Could you amplify a bit on the supply problems?

[Answer] The buildings all have galvanized structures, and thus any repairs would damage the coating. Some components have even arrived with missing parts, and as a result a mission was sent over to discuss things with the suppliers. The soil geology has also had an effect on the construction work. The calcic-cavernous soil has given rise to irregularities that designers and builders have had to overcome one by one. This has also caused delays.

[Question] I would like to get back to the problems and the possible ways of solving them...

[Answer] Because of the delays in the delivery of the roofed warehouses, we have had to take steps to safeguard and organize storage space. All of this has required extraordinary efforts, because the Investment Group has not had enough equipment, such as cranes, hoists, dollies [rastras], etc.

Although we are about 4 months behind the most recent timetable, we hope that the delays will be made up through the efforts of our comrades in construction and investment and with the overseas technical assistance we have contracted for.

[Question] The unit is scheduled to start up quite soon. In light of this, are enough skilled personnel available to run it?

[Answer] At the moment we have around 100 comrades on the training payroll: engineers, intermediate technicians... There are still a few areas, however, in which we have to make an effort to train personnel for the maintenance and instrumentation courses. As I mentioned, this plant's instrumentation will be practically all electronic, requiring special technicians to run it properly and take care of any problems that might arise.

Some of our comrades are receiving training at the Maximo Gomez thermo-electric plant in Mariel, at the Carlos Manuel de Cespedes plant in Cienfuegos, at the 10 de Octubre plant in Nuevitas and at the Basic Industry Ministry's Training School. We have to train more skilled workers, however, and organize other courses for the intermediate technicians we need to round out our staff. All of the ministry's management levels are reviewing the matter.

Furthermore, we are also preparing to train the startup group, which is made up of engineers who will begin checking and testing all of the installations and systems so that they are able to shift from simple to more complex operations, which will happen when this unit is hooked up with the National Electric Power System.

[Question] It is our understanding that you are having some problems with housing personnel from other provinces. How bad is the situation?

[Answer] The fact is that we have to expand our housing capacity. There are personnel from this province and from others who have to find housing so that they can take these training course. Our project includes a housing plan for the technical personnel from other provinces, some of whom are recent engineering graduates doing their social service. If we do not come up with a permanent solution, there could be some problems with the skilled work force when the time comes to start up the power plant. We still have a shortage of automation engineers, though we have been promised a full staff by next year. With the training courses that we are getting ready we are going to be able to start up the power plant on time.

[Question] Are some of our technicians being trained outside Cuba in the state-of-the-art technology of the future power plant?

[Answer] I would mention that we have put together a training program for the specialties of automation and electric power, and a group of comrades are in France at the moment in this connection. Others will be headed there later to receive training in the thermoelectric and chemical operations.

[Question] When this 330-megawatt unit goes on stream, will it be turned into an enterprise that will absorb the older units in Matanzas Province?

[Answer] When it goes on line, it will be the foundation of the Matanzas Generation Enterprise, which will maintain the Jose Marti power plant, which has 3 units (two 15-megawatt and one 37-megawatt), and the Colon peak load plant, which puts out 23 megawatts. The enterprise's total operating capacity will therefore be 420 megawatts.

[Question] Getting back to the delays, are you optimistic that the general timetable can be adhered to for starting up this unit on schedule?

[Answer] The construction workers and the investment group have pledged to have the unit ready by December 1985. This is a major challenge, in light of the delays, but when our construction workers make major commitments like this, we are used to seeing them succeed.

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CUBA

HUMBERTO PEREZ ON ECONOMIC, SOCIAL PLAN FOR 1985

Havana GRANMA in Spanish 29 Dec 84 pp 2-3

[Speech by Humberto Perez Gonzalez, Vice-President, Council of Ministers, 28 Dec 1984]

[Text] Fellow Deputies:

On behalf of the Council of Ministers, I am fulfilling my duty of providing you with a brief report on the completion of the plan for 1984, the year which is drawing to a close, and on the basic features of the proposed National Economic Plan for the coming year, 1985.

When we presented the proposed 1984 plan to this Assembly at the end of last year, according to figures compiled as of that time, the economy was expected to grow at a rate of 4 to 4.5 percent.

Today we can report to you deputies and to the nation at large that despite significant shortfalls in the production of our primary exports (sugar, nickel and citrus fruits), the efforts of our workers in general were sufficient to make up for these shortages and more in other sectors and activities; thus, the growth of the Gross Social Product, according to current estimates, was 7.4 percent at constant 1983 prices.

This accomplishment means that between 1980 and 1984, that is, so far in this 5-year period, the Gross Social Product has grown at an average annual rate of nearly 8 percent, which exceeds the estimates of the 5-year plan and the goals set forth at the 2nd Party Congress.

In the construction sector as a whole, according to the estimates, there will be a growth rate of nearly 18 percent, based on the highest construction growth rate ever attained in the country during the history of the revolution. This figure breaks the record that was set in this area last year.

Within this growth figure, it should be noted that the maintenance construction activities of the enterprises under the Peoples Government, the Ministry of Construction (MICONS) and other construction entities increased by 20 percent over the figures for 1983. In particular, the housing maintenance construction carried out by the enterprises of the Peoples Government grew at

a rate of 45 percent over the previous year, while the same activities carried out by the population yielded a total just slightly below that of 1983.

In general, the growth of the economy this year was influenced primarily by increases in the industrial and construction sectors, which accounted for more than 62 percent of that growth.

In light industry, the following growth rates were reported: 6.7 percent in thread production, more than 2 percent in fabric, 3 percent in sheets, 49 percent in pillowcases, 13.33 percent in underwear, 9 percent in protective clothing, and 20 percent in home furnishings.

In the iron and steelworking industry, a growth rate of 17 percent was estimated, accounting for approximately 13 percent of the total increase in the Gross Social Product.

The production of corrugated steel bars rose by 12 percent; iron pipes for aqueducts by 22 percent; semi-trailers more than 100 percent; total bus production, 15 percent; railroad cars, 10 percent; plastic-hulled fishing boats, 55 percent and ferrocement-hulled boats, 42 percent; equipment and tools for farming, more than 100 percent; gas stoves, 20 percent; and kerosene stoves, 6.5 percent.

In electronics, production of storage batteries climbed 11 percent; that of wires and insulated electric cables up to 1 kilowatt, 23 percent; dry batteries, 22 percent; and household refrigerators, 85 percent.

In basic industry, production is estimated to have grown by 6 percent. In chemistry, production has grown by 12 percent, with the production of new tires being the most noteworthy, having attained a record level of 450,000 units. Tire tubes went up by 15.5 percent, ammonium nitrate by 94 percent, urea by 100 percent, paint by 45 percent, and anhydrous ammoniac by 100 percent, while detergents remained at the same level as last year.

In medicines, production grew by 10 percent. In glass and ceramics, the production of bottles and glass jars rose by 40 percent, while that of glazed tiles climbed 11 percent.

In the fuel industry, it is estimated that about 770,000 tons of crude oil was pumped, for a growth rate of 4 percent.

The production of construction materials grew by 6 percent. The materials industry sector of MICONS grew by 10 percent, and within that sector, production of gray cement rose by 3 percent, reaching a total of 3.3 million tons; crushed rock rose by 9 percent, with more than 10 million cubic meters being produced; clay bricks went up 6 percent, concrete blocks were up 14 percent, terrace tiles rose 8 percent, mosaic tiles 20 percent, and cement roof tiles and gutters 12 percent.

Major advancements have taken place in tourism, which exceeded planned growth levels, bringing in 34 percent more tourists and approximately 20 percent more in revenues.

Significant progress was made in food production as well: the food, fishing, beverages and tobaccos and non-sugar agriculture industries yielded an overall growth rate of 7.4 percent, accounting for 26 percent of the rise in the Gross Social Product. In physical terms, growth was noteworthy in the area of canned fruits and vegetables (12 percent), cheese (17 percent), liquid milk (5 percent), pork in strips (17 percent), canned meat (9 percent) and canned fish (6 percent).

In addition, the production of root vegetables not including bananas rose by 12 percent, that of vegetables by 14 percent, rice 10 percent, tobacco 48 percent, bananas 30 percent, and cacao 6 percent. Only in citrus fruits was there a decline, amounting to about 5 percent.

The production of spare parts, tires, tubes, batteries and fertilizers registered an overall growth rate of 11 percent, and accounted for nearly 5 percent of the increase in the Gross Social Product. Specifically, spare parts production rose by 5 percent, totaling nearly 260 million pesos, while the recycling of parts rose by 19 percent, totaling 163 million pesos.

The consumption base expanded by 4 percent, and nearly 64 percent of that increase was represented by the growth of personal consumption.

The supply of products through retail merchant sales to the public exceeded the goals, growing by more than 2 percent at constant prices. Within this category, retail commerce rose by 2.0 percent and public food sales by 7.0 percent. Per capita consumption of grains grew by 2 percent, sugar 2 percent, root vegetables 3 percent, beans 10 percent, milk and its byproducts 2 percent, vegetables 12 percent, and eggs 1 percent. Per capita consumption of meat, fats and fish remained the same. Total daily per capita consumption of calories was estimated at nearly 3,000, while the per capita figure for proteins totaled nearly 80 grams per day. These figures are very close to the planned levels, exceeding the 1983 figures by 2.4 and 3.8 percent, respectively.

Sales on the parallel market have continued to climb, and while a growth rate of 20 percent in sales over 1983 levels was projected, the actual rate was approximately 44 percent. The year-end total for these sales is expected to be more than 800 million pesos. Within this market, sales of industrial goods have risen by 90 percent, almost doubling the figure for 1983, and sales of food products rose by 28 percent.

In the category of household appliances, the distribution of refrigerators climbed by 28 percent, and the 1983 levels were maintained in the distribution of televisions and washing machines.

In the field of public health, health care beds per 1,000 inhabitants rose by 3 percent, reaching a total of 5.4 per 1,000. The social assistance capacity per 1,000 inhabitants rose by nearly 9 percent; medical visits per capita rose by 6.3 percent; the number of doctors rose from 1 to 526 residents in 1983 to 1 to 486 this year; the number of dentists went from 1 to 2,260 residents in 1983 to 1 to 2,059 this year; in addition, infant mortality has

continued to decline, going from 16.8 per 1,000 live births in 1983 to 15.0 in 1984.

In education, the same level as in 1983 was registered in terms of primary school semi-boarders, but school registration in the middle level rose by 1.6 percent, and of that figure boarders accounted for 4 percent. Registrations also rose in higher education, reaching a total of 240,000 students.

There have also been significant increases in the area of sports and cultural activities.

All these growth rates have been achieved in 1984, with significant increases as well in economic efficiency indicators. Thus, for example, the consumption of fuel for each peso of the Gross Social Product declined by 1.7 percent with respect to 1983, and this represents a relative savings of approximately 180,000 tons of petroleum.

Moreover, it should be noted that the productivity of labor, which was expected to grow at a rate of 2.5 to 3 percent, and to account for 50 percent of the total increase in production, actually rose by 5 percent and accounted for 64 percent of the growth in production. As a result, there was a relative savings of nearly 90,000 workers and about 200 million pesos in wages. Meanwhile, the nation's average wage of 186 pesos rose by only 3.2 percent, yielding a favorable correlation between these two indicators.

In addition, the per-peso cost of production fell, according to current estimates, by 2.4 percent. This represents a savings of 365 million pesos.

With regard to the domestic financial situation, as expected, it has remained virtually the same. Throughout the year, only 60 million pesos was put in circulation, while the public's savings rose by 110 million pesos.

The advances our country has made in practically all economic and social areas, as has been indicated previously on several occasions by Comrade Fidel, contrast with what has been happening in the rest of Latin America, where this year only a weak and insufficient recovery has been seen in economic activity. The region's Total Gross Product has grown by only 2.6 percent this year, having declined by 1 percent in 1982 and just over 3 percent in 1983. This past year, according to the preliminary report by the Economic Commission for Latin America (ECLA), the per capita GDP has declined once again in 12 out of the 19 countries, while unemployment rates are still high and inflation is on the rise, "reaching unprecedented levels." In addition, the region's foreign debt continues to grow, totaling more than \$360 billion by the end of 1984.

The average growth attained by our country so far in this 5-year period, and the growth rate for 1984, are influenced primarily by our relations with the Socialist Community and with the USSR in particular, since they protect us from what generally occurs in other Latin American countries and enable us to maintain a steady and satisfactory growth rate.

We should point out, however, that the growth rates we have obtained so far should not lull us into mistaken complacency, since they have been achieved

with imports that exceed our capacity to pay, with the inefficient use of energy and means of production, and with little dynamism in terms of the vital need to expand and diversify our exports of goods and services. In our plans and in their implementation, the strategy we have set forth has not been put into practice, and in fact trends have developed which conspire against such strategy and work against our essential objectives. The implementation of the plan for 1984 has revealed such trends and characteristics, which do not always coincide with the policy outlined by the Party and the government. Our expenditures and our investment process have not been sufficiently geared toward the top-priority goals, primarily the development of exportable funds and other sources of foreign reserves, and import substitution. As Fidel said recently, the mentality demonstrated by all of us, including the cadres--everyone--has not been oriented toward exports but rather toward imports. The investment process has exceeded our capacity and has lacked coherence; the amount of current investment has grown each day, seriously impeding the overall efficiency of the process and hindering or delaying the pursuit of objectives linked to improving our external finances; our mechanisms for the planning and execution of technical-material supply have not been efficient enough; our efforts to conserve energy and other resources, though evident in recent years and effective in the sugar industry, are still not enough and have not taken advantage of all existing possibilities; our mechanisms for guiding the economy still suffer from serious deficiencies which must be overcome.

With regard to the plan that has been drafted for the coming year, 1985, we should begin by presenting a brief report on the meeting convened by Comrade Fidel on 22, 23 and 24 November, in which the principal leaders of the party and the government from all over the country participated.

This 3-day meeting was called by Comrade Fidel to examine not only the issue of formulating the plan for next year, but also the management of our economy in general, the difficulty of the balance of payments in convertible foreign reserves, and other equally important matters such as the failure to meet export commitments to the socialist countries and the prospects for changing that situation, as well as the above-mentioned problems and deficiencies, which have been affecting our economic activity thus far.

During this meeting, all these problems were studied thoroughly and quite comprehensively. In his conclusions, Comrade Fidel described how we should proceed to guarantee that the Party's and government's strategy, which is based on the broad infrastructure created over the decades and the considerable productive capacity generated during that time, can be applied correctly and thus enable us to solve these problems beginning in 1985 and also provide a renewed boost to efforts to carry out the structural changes demanded by future economic development, at least until the year 2000.

Comrade Fidel delved into these problems in great detail, going into current difficulties and the basic negative factors that still must be overcome.

Referring to the proposals made by various comrades, Fidel pointed out the need to improve our methods of orientation and planning, to seek another way of working so that we can all participate and take responsibility and commit

ourselves to what has to be done, using good judgment in decision-making and availing ourselves of all necessary information, so that we can take stock of existing problems and seek a new way to reach a fundamental conclusion. Fidel stressed the need to face problems with a realistic approach, and to develop our awareness and take the necessary measures to resolve the issue of convertible foreign reserves, not just the problem of today, not just in 1985, but to solve the problems of this 5-year period and those of the decade from 1990 to 2000, not to spend more, but to purchase what we need.

Specifically, he stated that the 1985 plan should be adjusted to the correct policy, and the plan for the upcoming 5-year period should be drawn up rapidly on the basis of what we estimate we will obtain in the socialist area. It should be adjusted to the resources we have; the money we need should be taken from our resources and the plan, especially the investment plan, should be adjusted accordingly.

In the first place, we should determine which industries can provide foreign reserves for the country as quickly as possible, through exports or import substitution, and give absolute priority to those investments.

Secondly, we must keep up the efforts that have been made in major investments such as MOA [expansion unknown], nuclear power, thermoelectric plants, refineries, etc., to promote our development and to guarantee our commitments to the Soviet Union and other socialist countries. We must also work to boost exports to the socialist bloc.

Thirdly, we must look at social projects that would have a significant impact on the population in terms of health, policy and research, etc.

We must continue to make it possible for people to undertake construction projects on their own by providing the available resources. At the same time, we should not stop any project on a whim, and should not cease doing whatever we can. We must give our all to the principal economic projects.

In terms of consumption, he stated that current levels should be maintained as much as possible, and qualitative improvements should be made in consumption even if that involves disappointing some people and postponing objectives that we had set for ourselves in this area, for the primary purpose of consolidating our accomplishments and guaranteeing the future.

He also emphasized that we should seek maximum economic efficiency, and conserve energy, materials, and all other elements. We should also adjust and accommodate the growth rates of our economy to our real possibilities and to the objectives we have outlined.

To accomplish this goal with respect to 1985, and to continue afterwards in the analysis of the 1986-1990 plan and of the adjustments that must be made in our mechanisms for economic orientation and planning, Comrade Fidel proposed that a government task force be established, comprising all the vice-presidents of the Council of Ministers, all the ministers in the economic sphere, and any other ministers who should be involved and want to participate, in

addition to Party representatives. Comrade Osmany Cienfuegos was named chairman of this group, whose most immediate task will be to proceed with the other comrades to adjust the plan for next year.

On 28 November, the Central Group named by Comrade Fidel at the aforementioned meeting began its work, setting 20 December as the target date for achieving the following objectives:

--To carry out the adjustment of the 1985 plan and budget, incorporating the suggestions that were made, oriented primarily, as we stated, toward the solution of the problems of our external finances by increasing and diversifying exports and implementing conservation measures, and by pursuing a coherent investment policy that includes those objectives as essential goals to which all others are secondary, and therefore requires a change in our way of thinking, our style of leadership and the stringency of our requirements for attaining the indispensable levels of efficiency.

Among the directives issued by Comrade Fidel was one requiring that the proposed plan for 1985 be examined in order to eliminate from it any element which, without threatening the current standard of living, would work against the strategy of fulfilling commitments to the socialist countries, steadily increasing and diversifying non-sugar exports and, in general, revenues in MLC [expansion unknown] through greater conservation, especially of energy, and working to solve the balance of payments problems as soon as possible, resorting for that purpose as much as possible to the more rapid maturity of investments in order to replace imports significantly and quickly.

--To draw up a new version of the measures program for next year in order to adjust it to the objectives of the plan and the budget.

--To develop an integral system of control and analysis at all levels of execution of the plan, the budget and the measures program.

For this purpose, 19 subgroups were formed, headed by the vice-presidents of the Council of Ministers and the ministers who worked on the revision of the draft plan and budget, to bring them into line with the balance of payments situation and to restrict material and financial spending, thus coordinating the different objectives and figures. During the process it was determined that various specific tasks will be necessary, and these tasks were assigned to different executive committees. Examples of the tasks are analyzing the transportation of fertilizers, ensuring adequate supplies of containers, evaluating machinery and tools to be installed, and studying the technical status and the maintenance of equipment in plants about to be installed.

Although the result of the work was that the basic level of activities envisioned in the original draft plan should be maintained, nonetheless a serious and far-reaching effort was made. Major adjustments were made in investments and in some less important aspects, all of which demanded considerable precision and a response to the problems at hand. Furthermore, it was necessary, among other things, to raise the projected levels of exports, to mobilize many inventory resources, to propose higher levels of productive efficiency, to reduce consumption norms, to determine priorities in the investment plants, and to decide on new import substitutes.

The proposed plan for 1985 adequately reflects the policy outlined by Comrade Fidel, and represents a first step toward the objectives set forth for the 1986-1990 5-year plan and in our economic policy at least through the year 2000.

A significant effort was made to seek new sources of income that had not been contemplated before, and to make major spending cuts, which led to a result of more than 200 million additional pesos, derived primarily from the increase in exports and the reexportation of fuel on the basis of the conservation measures adopted, and from the increase in other exports, a jump in net revenues from productive services, and a rise in collections coupled with a decline in payments for invisible transactions.

The plan for exports to the capitalist area, without including the reexportation of fuel, was increased, due to a greater volume of production than was initially projected, of which 47 percent represented the draw-down of inventories that had been contemplated, and the remaining 53 percent represented the inclusion of 46 new export categories.

In productive services, the increase in the positive results is due primarily to the forecast of greater efficiency in the use of our fleet resulting from the favorable influence port operations are expected to have, as well as the maximum utilization of our shipyards' capacities, the shortening of repair and drydock cycles and the decision to require all foreign vessels that cannot be repaired at our docks to be repaired abroad, and the increase in provisions supplied to national and foreign ships and planes, etc. This is, however, just a beginning in the efforts that all national organizations will have to make.

As for invisible transactions, revenues improved primarily due to the increase in tourism, and the outlays originally planned were reduced by about 18 million pesos to 1983 levels.

The deepening of the crisis in the sugar market, however, and the lack of political will on the part of the principal countries involved in that market, preventing a new agreement, meant that the considerable efforts to maintain a high level of income from the reexportation of fuel and the acceleration of non-sugar exports, which is reflected in the proposed plan now before the Assembly, were not enough. It is for this very reason that there are still problems with the balance of payments in freely convertible currency, problems which we must overcome in the next few years, since we must continue to renegotiate the debt. Our fundamental objective should be to limit the debt to our real possibilities and to honor our commitments rigorously.

The levels of fuel and energy consumption projected for 1985 have been reduced considerably, and even in the original version of the plan they represented an improvement in consumption indices and therefore relatively important reductions from the previous year's totals.

The final result of the work led to a reduction overall of nearly 700,000 tons more than originally planned, without substantially reducing projected activity.

Consumption of fuel oil was slated to drop 0.1 percent below the 1983 level primarily because of the decline in the amount of electricity generated by the electrical industry, which will be only 2.1 percent more than was generated in 1983. Thus, the availability of electricity foreseen in the adjusted plan for consumption by the state sector will be 3.6 percent below the consumption level of 1984.

The consumption of fuel oil for other industrial uses is expected to be the same as in 1983.

The consumption of diesel fuel should be 2.8 percent less than this year, and motor gasoline consumption should be 3.8 percent lower than the 1984 figure.

It should be pointed out that the fuel and electricity figures that were finally agreed to are very tight, so beginning in January, greater stringency, organization, discipline and control will be required in their consumption. For that purpose, a series of measures will be adopted to consolidate the technical-organizational structure for orienting the energy economy, intensifying the work with technically-based consumption regulations, reducing the demand for electricity at peak hours by various means, achieving a more efficient use of energy resources in general, and continuing to develop renewable sources of energy.

In determining the level of technical-material supplies, a very serious analysis was carried out, albeit in a short period of time, to define to what extent the resources already scheduled for purchase with convertible currency met the needs for the exportable funds and the remaining principal goods and services, which coupled with the known reserves, the redistribution of some resources among consumers, the mobilization of inventories and the emphasis of some import substitutes, made it possible to keep such resources to a minimum.

As a result of this work, in the coming year incentives will be provided to produce some 17 million pesos worth of import substitutes, principally in the convertible area. Other measures were taken that should make possible savings totaling some 25 million pesos per year beginning in 1986. In addition, a significant reduction of inventories was considered, with low levels of coverage. This should lead to greater dynamism in the provision of technical-material supplies, as well as increased control and supply capacity so that there will not be temporary shortages resulting from the lack of certain material resources.

Containers are one of the factors posing the greatest problems in terms of complying with the proposed objectives on time. Various measures have been planned to avoid any difficulties in this area, and a commission has been formed to evaluate this problem.

With regard to science and technology, the goal of our work was to determine the scientific and technical achievements that could have a positive effect on the convertible currency situation in 1985 and 1986, in addition to what was already taken into consideration in the plan. Thirty-eight proposals were presented which will have a positive effect over the next year, yielding an estimated 10 million pesos in convertible currency through import substitution

and increases in the exportable funds. In 1986 alone these proposals should yield more than 20 million pesos.

With respect to expenditures for events and delegations, the initially approved budget allocated 10 million pesos for this category, but the total has been reduced to 7 million pesos now by cutting back on lodging expenses. This will free up hotel rooms that can now be made available to international tourists. Furthermore, the reduction of the allocation for national events frees up rooms in the rest of the hotel network that can be made available to the public.

In activities on the local level, particular emphasis was placed on strengthening the participation of the organs of the Peoples Government in the process of adjusting the plan and budget, by orienting the tasks to be done and coordinating and reviewing support for local activities. In sum, the organs of the Peoples Government are to provide some 28 million pesos in convertible currency more than was called for in the original plan, of which 26 million will represent decreases in consumption and 2.2 million will represent exports. In addition, they will contribute 13 million pesos for exports to socialist countries.

In the analysis of the construction and assembly plan, it was finally agreed to cut about 320 million pesos from the original version. Following the directives set forth by Comrade Fidel, priority was given to the objectives that would have an immediate positive effect on the convertible balance of payments, which led to increases in certain investments, including those of the National Institute of Tourism (INTUR), CUBALSE [expansion unknown], the Ministry of Fishing, and the State Committee for Technical and Material Supply (CEATM), for the development of raw materials, the manufacture of cardboard and bristol board, and the citrus program, which in turn meant greater adjustments in other areas not included in the established priorities.

The final version of the 1985 plan reflected a decline of 4 percent in construction compared to the estimates for 1984. This cut in the construction plan enabled us to make more efficient use of our construction capacities, and also made possible an increase of 36 million pesos in the base of goods exportable to the convertible currency area by reducing fuel consumption by 175,000 tons and steel bar consumption by 40,000 tons. At the same time, it enabled us to reduce the importation of equipment, lumber, asbestos fibers, metals and other products, for which convertible currency would be needed, by about 30 million pesos.

In the final plan, an effort has been made to ensure the consistency of investments; for this purpose, consideration was given not only to the principal physical project, but also to road and railroad access, electricity lines and water and maritime works.

In the 185 top-priority investments, additional revenues of 4.4 million pesos in convertible currency are expected in 1985 based on the proposals of the investors themselves, and in 1986 these investments are expected to yield 125 million pesos.

The development of the construction materials industry is maintained, with a growth rate of 8 percent; crushed rock will grow by 13 percent, sand by 10 percent, concrete blocks by 19 percent, clay bricks by 7 percent, mosaic tiles by 13 percent, and terrace tiles by 47 percent. Nearly 400 million pesos has been earmarked for maintenance construction, and materials have been allocated for merchandising bases originally planned for next year.

The total value of commercial projects to be carried out will reach 36 million pesos, and the Union of Caribbean Construction Enterprises (UNECA) will contribute some 19 million pesos to the balance of payments and will also carry out projects valued at 10 million pesos in Varadero and 1.5 million in Cayo Largo.

Two new sugar mills are planned, 12 expansion and modernization projects are expected to be completed, and work will continue on four new mills as well as the expansion of the Uruguay mill. The sugar byproducts program will also continue.

The plan gives priority to the Havana-Santa Clara central railroad line, which should be completed in 1986. The completion of the technical base and the pavement of the taxiways at the Jose Marti Airport will also be given priority.

The plan guarantees the continuation of the citrus program, and provides support for the tobacco bale warehouses, and the cattle program, including dairy farms, cattle feed projects and a number of other objectives. The rebuilding of the livestock roads is also included, and work on the fodder plant at Regla will resume.

The Punta Gorda Nickel Plant is supposed to be completed under the plan, and the Council for Mutual Economic Assistance (CEMA) I Las Camariocas project and the social infrastructure projects in the area are to continue. The oil recycling plant and, in 1986, the Hermanos Diaz refinery (both of which are in Santiago de Cuba), are expected to be finished. The synchronization of Unit 5 of the Nuevitas Thermoelectric Plant and of Unit 1 of the East Havana Plant is guaranteed under the plan. The plan also calls for the completion of the Soviet motor plants in Santiago, the sugarcane trailer plant in Holguin, and the first stage of the ironworking plant. Work will continue on Antillana, on the mechanical plant, and on the two medical equipment factories.

Six objectives of the food program are to be completed, and support is provided for beer and soft drink programs. The Punto Textile Factory and the Balance Spinning Mill will begin operations, and the Glamour Finish Factory and the continuous form plants are to be completed. Clothing, shoe and furniture factories are to be repaired and modernized under the plan.

In 69 objectives of the health program, projects are to be completed or capacity is to be expanded. The outpatient facilities at the hospitals of Pinar del Rio, Villa Clara, Moron and Contramaestre are to begin operations, and six inpatient polyclinics are to begin partial service. In the pharmaceutical industry, the blood byproducts, chemical synthesis, steroid lines,

and fiber eardrums programs are scheduled for completion, along with 10 electromedicine clinics and two medicine storage centers. Another seven projects are to be launched. Work will begin on 23 medical education projects, and capacity will be expanded in 13 medical schools. The cardiovascular wards program and the William Soler surgery program will also be completed.

Support will be provided for expanding the capacity of the higher-level technical training programs at Jose Antonio Echeverria Higher Polytechnical Institute (ISPJAE) and the Higher Institute of Agriculture and Livestock Sciences in Havana, as well as the universities in Santiago de Cuba, Holguin and Cienfuegos.

The plan calls for supporting the completion of 19,200 low-income housing units by the Ministry of Construction, a number similar to the 1984 total. Of those units, some 7,000 will be earmarked for economic objectives. Overall, the plan envisions the construction of about 35,300 dwellings by the state. In addition, the housing units built by the public on its own totaled some 40,000 homes and apartments in 1984.

As for consumer items, regulated levels are guaranteed for foods such as milk, rice, lard, coffee, beans and others, and for cleaning products and household fuel.

In other unregulated foods, such as fish and agricultural products, dairy products and beverages, increased supplies are guaranteed. The 1984 levels for the rest of the products in this category are to be maintained. These levels are made possible by restricting social consumption activities, primarily in worker and school cafeterias, where cuts of up to 10 percent have been made in the final 1985 plan. Reductions have also been made in the areas of defense and public food consumption, which will stay at the 1984 levels under the final plan.

In short, the per capita calorie and protein levels achieved in 1984 will be maintained in the food sector.

Concerning essential industrial products, the supply of fabric and clothing will be at levels similar to those estimated for this year, while underwear and shoes will be slightly lower, although quality will be improved in the latter category. In items such as sheets, towels, perfumes, furniture and others, this year's levels will be maintained or raised, although shortages will continue. The reduction of social consumption in these areas is also called for in the plan, principally in education; cuts have also been made by the defense and internal order agencies.

Services to the public will be maintained at 1984 levels, with increases only in the areas of shoe and kerosene stove repair. Commercial refrigeration and upholstery services, among others, will continue to be insufficient.

The problem of the social consumption of cigarets and tobaccos was studied, and it was decided to eliminate the free supplies provided to the fishing industry and to adjust the per capita supplies of the remaining organizations. This action made it possible to reduce by 1.2 million the number of units of cigarets, and by 8 million the tobacco units called for in the 1984 plan for

social consumption. Thus, export levels can be brought up again and supplies on the parallel market can expand.

Marketing circulation will grow by approximately 3 percent, in keeping with the desire to reduce inventories in the retail network by some 100 million pesos and to increase the efficient utilization of resources.

In education, the principal indicators should continue to rise: the capacity of childcare centers, the number of primary school semi-boarders and boarders, registration in mid-level and higher education, etc.

In public health, the number of health care beds per 1,000 inhabitants is expected to increase by 3.8 percent; the social assistance capacity per 1,000 inhabitants should go up by 21 percent; the number of doctors is expected to rise from 1 to 486 inhabitants to 1 to 445 next year, and the number of dentists from 1 to 2,059 to 1 to 1,852 inhabitants.

The transportation of passengers by bus will increase slightly, by 2.3 percent, and that by automobile will stay at the current levels.

In transportation, the plan calls for measures and guarantees to ensure the exportable funds and other priority activities, although this is one of the tightest areas of the plan.

In nearly all the areas of production of the Sugar Ministry and the Agriculture Ministry, significant increases are envisioned in the plan, as is the case of industrial production in general.

This means that under the final plan, the Gross Social Product should grow next year by 4.5 to 5 percent over the 1984 total.

The total amount of exports from the country should grow by 7.3 percent at constant prices. Non-sugar exports are expected to expand by more than 20 percent above the 1984 levels, and exports to the convertible currency area should rise by more than 30 percent. In contrast to these figures, total imports should grow by 6 percent at constant prices.

This plan envisions increasing efficiency indicators in the various areas, not just in fuel conservation. Reductions are also called for in the consumption of other material resources, such as steel. Maximum use should be made of raw material supplies, as well as materials and products in the machinery manufacturing industry. Overall consumption of cement and corrugated bars for construction should be kept to a minimum. Maximum efficiency is called for in the use of import substitutes for the production of containers. A 10 percent growth is expected in the recycling of raw materials, primarily steel scrap (15.5 percent), paper and cardboard waste (23.7 percent), recycled glass (21.8 percent) and non-ferrous metal scrap (21.4 percent).

In retreaded tires, a total production of 470,000 units is planned, for an increase of nearly 7 percent. In the manufacture and recycling of spare parts, efforts will continue to achieve production increases in new categories to replace imports from the capitalist bloc. In 1985, the value of production

and recycling will reach more than 450 million pesos with a growth rate of approximately 8 percent.

In poultry production, the plan envisions an improvement in the direct conversion of feed to eggs and feed to meat, and in pork production increases are expected in the amount of meat per breeder. The plan also foresees improvements in other efficiency indicators as well.

Labor productivity is expected to rise by 3.5 percent, while the average wage will climb by just 1.5 percent, which means a favorable correlation between the two indicators. It should be noted that 80 percent of the total growth in production is expected to be achieved by increasing output or productivity.

In the balance between the population's income and outlays, it is estimated at this time that there will be a slight net issue of about 130 million pesos this year, but taking into consideration the more than 4.7 percent growth of sources of expenditures by the population, this should not alter the domestic financial equilibrium. Rather, the net issue corresponds approximately to the increase in goods and services in the population.

The plan for next year marks an effort to obtain maximum benefit from existing resources. It envisions positive growth and economic efficiency indicators, although, as we already stated, it demands a serious effort by everyone to achieve them.

Among the most difficult aspects of the plan we should point out the availability of electric power for consumption by the state sector, allocations of fuel oil for other industrial uses, the guarantee of transportation and the capacity of port operations, which are yielding deficits or are in very tight straits. Other difficult areas are the supply of containers to ensure timely compliance with the proposed objectives, and the resources allocated for industrial maintenance, which as a general rule do not cover minimum needs. Supplies of raw materials and other production inputs are also tight in the plan.

To contribute to the better implementation of this proposed plan, we also analyzed current mechanisms for orienting the economy, and agreed to several modifications to be carried out in the coming year. In the group formed for this purpose, 52 issues were studied, the most important being the negotiation and execution of contracts for the supply of imported goods and the exportable funds, and areas where economic legislation has been remiss or limited in promoting the efficient development of contractual relations in this sphere; the simplification and extension of stimuli for exports, establishing a more direct link with producers, stimuli for import substitution and for the restriction and control of some expenditures for invisible transactions; and mechanisms to enable some production firms to export and import directly. In addition, the utilization of prices as an economic lever to stimulate greater efficiency in the production of high-quality clothing was studied, as were the recycling of tire treads for recapping, the modification of maritime transportation rates, the differentiation of the importation plan from the plan for the supply of imported goods, etc.

The measures program, whose formulation was preceded by an extensive process of consultation, was revised by the groups responsible for these issues in light of the priorities established, the savings and efficiency directives, and the results of the revision of the plan and budget. Before the final version of this document is issued in early January, details regarding the coordination of this mechanism with the proposed economic activity control system will be worked out in order to avoid unnecessary duplication.

The aforementioned control system is expected to be implemented as of January, covering everyone from the rank and file to the top echelons of government, including various decision-making levels. Thus, solutions will be found for all the problems that arise at the lowest possible level of the administrative pyramid, so that anything taken to the next level up will be done selectively, and each person will be given the appropriate tasks.

To carry out this control system, the central group created for this purpose is expected to continue supporting the subordinate working groups. The system also calls for the reinforcement of horizontal relations at the various levels, the exchange of viewpoints and collective analysis as some of the most useful ways for solving problems. It is noted that in no way should the application of this method of control supplant or limit the functions, powers or responsibilities of any enterprise, organization or leader; on the contrary, it should reinforce them, and require that each person effectively carry out his assigned responsibilities. Moreover, the plan cautions that duplications of control over the same matter should be avoided at all costs.

In sum, the plan envisions controls on four strata or levels: in the system of each organization, in the jurisdictions of the organs of the Peoples Government, in each of the subgroups that are to be created or maintained, and in the central group. In addition to being in charge of control measures concerning the plan for next year, the latter group also has, as we said at the beginning, responsibility for redrafting, adjusting and finalizing the 1986-1990 5-year plan, and for examining all matters related to the orientation of the economy that require revision, as discussed at the meeting on 22, 23 and 24 November. The results obtained so far are merely a point of departure for the initiation in the first week of January 1985 of a systematic effort to achieve the objectives we have set forth.

The results that have been obtained in this short time by the central group and the subgroups created to carry out the directives given by Comrade Fidel have been made possible by the intensive effort, the strong spirit of cooperation and the commitment of all participants to find collective solutions. All the central organizations, the organs of the Peoples Government and the other entities involved have carried out this work with a great sense of revolutionary responsibility, without exception.

This same spirit should prevail in the implementation of all the assumptions on which the reformulation of the plan and budget was based, and in the performance of the other tasks assigned to this central group.

We believe that the experience of these days represents an extraordinarily important leap forward in terms of the methods of collective action to draft

the plan and orient our economy so that its mechanisms can be improved and systematically reviewed, and so that everyone will take responsibility for all the decisions adopted, thus ensuring their proper implementation. We should use this method, adjusted and improved where necessary, in the future to devise and control our economic plans and to discuss and decide the fundamental issues in the orientation of our economy.

The directive figures of the plan will be discussed in each firm and establishment, and in the cooperatives and peasant groups among the workers in general, on an earlier date than in previous years, because the implementation of the plan depends on prompt action. Moreover, their wisdom, practical experience, creative initiative and revolutionary spirit will undoubtedly contribute many new ideas that will help us achieve the proposed objectives, in compliance with the directives issued by Comrade Fidel. This is a tight plan that already involves a reorientation of our economic activities and our resources and efforts, and that requires us from the first moment to take all possible measures to execute and control it. It is a plan based on significant increases in efficiency and savings, especially of energy, and one that requires more than at any other time in the past the mobilization of the entire working class, the peasantry and all other workers to carry out the proposals made by Comrade Fidel at the conclusion of the Forum on Energy. Each firm and each establishment must adopt the essential ideals that will lead us to success in 1985, and lay the groundwork for the much more ambitious objectives that we have proposed for 1986-1990 and beyond. In this regard, we believe that the vigorous emulation program being prepared by the Central Organization of Cuban Trade Unions (CTC) in tribute to our 3rd Party Congress, is of the utmost importance.

And as our maximum leader stated at the conclusion of the recent Forum on Energy, "It does not in any way mean giving up the progress we have made so far; it simply means optimizing our efforts, optimizing the use of resources, our organization, our plans, our program, simply optimizing and looking to the future, the future which we have won the right to conquer, with the heroism, the bravery and the strength of our people."

Thank you very much.

8926

CSO: 3248/205

CUBA

OFFICER-TRAINING SCHOOLS' LOCATIONS, REQUIREMENTS, CURRICULA

Havana VERDE OLIVO in Spanish 1 Nov 84 pp 33-36

[Text] All Cuban youths who meet the established requirements may opt for the slots made available for training as FAR officers at the Military Instruction Centers and, upon completing their studies, receive the rank of military lieutenant and a certificate accrediting them with the special higher military instruction level.

There are in our country at present eight Military Instruction Centers in which officers are trained for the Revolutionary Armed Forces. They are:

General Antonio Maceo Inter-Branch Schools of the FAR

General Jose Maceo Inter-Branch School of the FAR (Santiago de Cuba)

Commander Camilo Cienfuegos Artillery School of the FAR

Military Technical Institute

Naval Academy of the Revolutionary Navy

General Carlos Roloff Communications and Chemical Troops School of the FAR

Technical School of the DAAFAR [Antiaircraft Defense and Revolutionary Air Force]

Aviation Pilots Military School

At these centers, the young people take courses in the areas of basic sciences, social sciences and general engineering, as well as the military subjects associated with the special fields that they are studying.

Depending on their vocation, the youths may select the special field for study in the areas of:

Command: in various specialties, with courses lasting 2 and 4 years

Politics: a certificate in social sciences, with courses lasting 4 years

Engineering: engineers in different specialties, with courses lasting 5 years

Depending on the courses taken, the cadets (midshipmen) are graduated as chiefs of small units or the equivalent and engineers, specializing in ground troops, antiaircraft defense (DAAFAR) and Revolutionary Navy.

The Military Instruction Centers are provided with a study materials program that makes it possible to carry out the courses and research activity of the cadets (midshipmen) with special classrooms, laboratories, a firing range, study areas and instructional grounds. They also have various sports facilities, theaters, libraries, auditoriums, offices and other installations to ensure the progress of the personnel's educational and recreational activities.

Who is entitled to enter the Military Instruction Centers?

The graduates of the Camilo Cienfuegos Military Schools

The graduates of the upper intermediate educational centers (preuniversity and polytechnical institutes)

The soldiers, sailors and petty officers in Active Military Service and Reenlistment Service who have the required schooling level (12th grade or its equivalent)

The candidates for officer training courses are given an examination by the Medical Commission to determine their physical fitness and health.

The methods for applying for entry into the Military Instruction Centers are:

Through the chiefs of the Camilo Cienfuegos Military Schools, and the directors and chiefs of military departments in preuniversity and polytechnical institutes

Through the provincial Society for Patriotic-Military Education (SEPMI)

The soldiers, sailors and petty officers, through their respective chiefs or substitutes for political work

Entrance Requirements:

Be a high school graduate

Be mentally and physically fit

Be at least 17 years of age and 21 as a maximum for youths coming from civilian life

Be no older than 25 years for petty officers and soldiers from SMA [Active Military Service] and reenlistment service

Be unmarried

Be committed to serving as a permanent cadre in the FAR

Furthermore, to study certain specialties, other additional requirements will be taken into account.

The graduates of the Military Instruction Centers have unlimited opportunities for development in the FAR, according to the work that they perform in the posts to which they are appointed. They may opt for courses given at the General Maximo Gomez Academy of the FAR or in the USSR, and receive certification of higher military training level.

Subsequently, they have an opportunity to attain scientific degrees in their respective specialties.

The members of the FAR perform many complex tasks and have recognition from the party, the government and the society, which provide for the creation of living and working conditions in keeping with the responsibilities of those who are being trained and who serve as faithful defenders of the fatherland and socialism.

In choosing the military profession, you must bear in mind that "to be an officer in the Revolutionary Armed Forces is not a means of living, but rather a sense of living which entails the determination to sacrifice one's life with dignity and honor against the fatherland's enemies."

Young people who wish to procure more detailed information concerning one Military Instruction Center in particular and on the specialties studied at it may send this form to that center, so as to have the requested information sent to them by return mail.

General Antonio Maceo Inter-Branch School

This center, founded in February 1963, has had abundant experience in training officers for the FAR, and also has a long tradition of organization and discipline which has made it a beautiful institution dedicated to the total training of our youth for life and for the defense of the conquests made by socialism. Here, officers are trained in the specialties of:

A. In 2 and 4 year command courses:

1. Motorized infantry troop tactical command
2. Tank troop tactical command
3. Engineering troop tactical command
4. Automotive troop tactical command

5. Tactical command to supply the troops with food products (provisions)
6. Tactical command to supply the troops with clothing
7. Tactical command for technical facilities and fuel application
8. Rear guard tactical command
9. Military intelligence tactical command
10. General troops politico-military area (only 4 years)

B. In 5 year engineers course:

11. Armored and automotive technical engineer
12. Engineering armament machinery engineer (military mechanical engineer)
13. Troop fortification works engineer (construction engineer)
14. Electrical and automatic devices for armed technology

Address of the Military Instruction Center:

General Antonio Maceo Inter-Branch Schools,
Post Office Box 1,
Caimito, Ceiba del Agua,
Havana Province.

General Jose Maceo Inter-Branch School (Santiago de Cuba)

The General Jose Maceo School was founded on 15 September 1980.

Located on the El Caney highway in Santiago de Cuba, the General Jose Maceo Inter-Branch School has qualified instructors with extensive teaching experience.

It has trained hundreds of command cadres in different specialties for the FAR.

Entering the courses at this center are youths residing in the provinces of Ciego de Avila, Camaguey, Tunas, Holguin, Granma, Santiago de Cuba and Guantánamo.

The following specialties are studied at this Military Instruction Center:

In 2 and 4 year command courses:

1. Motorized infantry tactical command
2. Tanktroops tactical command

3. Ground artillery tactical command
4. Engineering troops tactical command
5. Military intelligence tactical command
6. General troops politico-military area (only 4 years)

Address of the Military Instruction Center:

General Jose Maceo Inter-Branch School of the FAR,
Post Office Box 493,
Caney Highway,
Santiago de Cuba Province

General Carlos Roloff Communications and Chemical Troops School of the FAR

The General Carlos Roloff Communications and Chemical Troops School of the FAR is located on the highway from Managua to Cuatro Caminos (Liberacion), in the municipality of San Jose.

This school trains officers for the command and engineering categories in both specialties.

The center has a modern study materials program and qualified teaching personnel for the various subjects taught. Here, specialists are trained in:

a. In 2 and 4 year command courses:

1. Communications troops tactical command
2. Chemical troops tactical command
3. Communications politico-military area (only 4 years)

b. In 5 year engineering courses:

4. Military engineer in radio-communications
5. Military engineer in chemical troops armament and protective equipment

Address of the Military Instruction Center:

General Carlos Roloff Communications and Chemical Troops School,
Post Office Box 8, San Jose de Las Lajas,
Havana Province

Commander Camilo Cienfuegos Artillery School of the FAR

Located at the exit of the Havana Bay tunnel, in the old La Cabana Fort, is this Military Instruction Center, which was founded in September 1961 and now has over 23 years of experience in training officers for the FAR. The following specialties are studied here:

a. In 2 and 4 year command courses:

1. Ground artillery tactical command
2. Artillery reconnaissance with radio direction-finding tactical command
3. Optic-sonic artillery reconnaissance tactical command
4. Ground artillery troops politico-military area (only 4 years)

b. In 5 year engineering courses:

5. Mechanical military engineer in ground artillery armament
6. Military engineer in reactive projectiles and ammunition
7. Geodesist military engineer
8. Photo-topographic military engineer
9. Military engineer in artillery instruments

Address of the Military Instruction Center:

Commander Camilo Cienfuegos Artillery School of the FAR,
Post Office Box 7034, East Havana,
City of Havana

Military Technical Institute

The Military Technical Institute, located at Avenue 45 and Avenue 66 A, in the municipality of Playa, Post Office Box No 6, City of Havana, was founded in February 1967.

The study material program that it has, combined with 16 years' experience in training officers, makes it possible to convey solid information to the youths trained in it.

At the Military Technical Institute one may opt for the following specialties:

A. 4 year command courses:

1. Aeronautical radiocommunications facilities tactical command
2. Antiaircraft artillery tactical command (2 and 4 year courses)
3. Special radio facilities tactical command
4. DAAFAR troops politico-military area
- B. 5 year courses:
 5. Antiaircraft missile direction stations engineer (radiotechnical engineer)
 6. Engineer in guided antiaircraft missiles and their ground installations (radiotechnical engineer)
 7. Radio direction-finding station engineer (radiotechnical engineer)
 8. Aviation radio-electronic equipment engineer (radiotechnical engineer)
 9. Aeronautical radiocommunications engineer (radiotechnical engineer)
 10. Aviation electro-automatic equipment engineer (electro-automatic engineer)
 11. Electric power supply facilities engineer (electromechanical engineer)
 12. Engineer in airfield gas and electricity provision facilities (electromechanical engineer)
 13. Aviation armament engineer (electromechanical engineer)
 14. Aviation motor and fuselage engineer (mechanical engineer)
 15. Automated command and information system engineer (mathematical engineer)
 16. Antiaircraft artillery armament engineer (electromechanical engineer)
 17. Engineer in utilization and repair of special communications facilities
 18. Engineer in utilization and repair of DAA special technical radio facilities.

Naval Academy of the Revolutionary Navy

The Naval Academy is located in Santa Fe, west of the City of Havana. This center began training officers for the Revolutionary Navy in 1959, and has accumulated vast experience, with extensive recognition.

At the Naval Academy, the future officers are trained in the following specialties:

Naval command officers (5 years):

Naval navigator engineer

Naval electromechanical engineer in artillery and rockets

Naval electromechanical engineer in mines, torpedoes and antisubmarine armament

MGR politico-military area (4 years)

Machine officers (5 years);

Naval mechanical engineer

Naval electrical engineer

Electronic officers (5 years):

Naval radiocommunications engineer

Radiotechnical armament (radar) engineer

Technical School of the DAAFAR

The DAAFAR's Technical School is located on the Mediodia freeway in the municipality of Playa.

There, technical officers of the Revolutionary Air Force are trained in courses lasting 2 years.

The specialties that are offered are the following:

Aviation motor and fuselage technician

Aviation radio-electronic equipment technician

Aviation electro-automatic equipment technician

Aviation armament technician

Aviation navigator

In addition, other technical specialties are studied at this Military Instruction Center, in courses for junior officers and petty officers, lasting 11 months.

Address of the Military Instruction Center:

Technical School of the DAAFAR,
Post Office Box 16012,
Zone 16, Municipality of Playa, City of Havana
2909
CSO: 3248/180

HAITI

LITTLE HOPE SEEN FOR POLITICAL, ECONOMIC IMPROVEMENT

Port-au-Prince LE PETIT SAMEDI SOIR in French 17-23 Nov 84 p 3

[Commentary by F.B.]

[Text] The mass departure of the "congos" for the promised land of the Dominican "Sugar Harvest," the Eric Baptiste affair whose outcome still awaits us, the vague hope that the authorized political parties might work someday, Reagan's re-election and its meaning in the Caribbean context, the student uprisings in the neighboring republic, a second Cayo Lobos -- are all events which cast more shadows than light on the political and social landscape of this past season.

However, a revival of cultural life is becoming apparent. It is the periodical PERSPECTIVE which devotes entire pages to the fiery editor Gethro Julien. The magazine INFERNO in turn poses the problem of human rights and calculates the chances of a dialogue between the administration and the opposition. "If the opposition did not exist, would we not have to invent it?" the journal asked itself rather perspicaciously.

A pertinent question which occurs is how to draw from their cautious reserve all of the possible party leaders who still ask about the possible chances. Wisdom commands even if it comes after the fact. Because they had gone too far into the wolf's lair, they know from here on in that there is a price to be paid for walking the trails of democracy that are full of traps. As in the past, political life will only be duller for them.

All it takes would be some event to explode under an entirely too calm political sky, suddenly, in contrast with the usual monotony. The farmers, for the most part, will be hit by the wave of repression that will come from time to time in spite of the promises of opportunity.

The Haitian, it was said, is born a conspirator but this taste for conspiracies is not at the same time an attribute of our structures. It is probable that for a long time yet to come we will be a watchful people, with politics remaining a real treat among us.

J.P. Duperval, Henri Claude Innocent, the former a little bit mistreated, the latter tied hand and foot and taken to his home for a house search -- these are

the first victims of the roundup. The farmer Francois Severin, who was wanted in the south, was arrested and then released. A roundup in the northwest and then in the north was supposed to prove his guilt. The secret police reportedly ran down some connections even in a humble shop on American Street; and the arrests will continue to multiply.

And was there any kind of relationship between these presumed subversive activities and the new attempt by Haitian exiles held not far from Guadeloupe? We are still wondering about that, just as we have not finished asking questions about this new offensive by the opposition movements in Haiti.

Voices we believed to have been stilled have recovered their erstwhile ring. The Haitian Catholic Church still keeps preaching that old dream of a more just and more brotherly society. But the Church has its ideals and its chimera, the state has its duties and its reflexes. And the old debate on the political mission of the churches is being revived in a world always dominated by the balance of forces.

But beyond these confrontations, there remains one reality, we might say, a drama, which is the drama of the people. The ocean, the unknown horizons still fascinate us. The "boat people" just like the sugar cane workers are tough, just as life is tough, by the way, and our society leaves little in the way of opportunities for its disadvantaged and its surplus population. The end of the savage exodus is thus not about to come tomorrow.

Unless boosted from outside, the Haitian economy cannot be sure of maintaining its current performance, pressed as it is by the social cost which oddly enough has an after-taste of recession. Now, any relaxation would plunge us into the turbulent zones of neighboring currencies, not mentioning the foreign-exchange drain which that would cost us. The great hope thus lies in production. This is perhaps a distant mirage but this is also a choice.

5058

CSO: 3219/5

MEXICO

FEDERAL DISTRICT TO SUPPLY SUBSIDIZED FOOD ITEMS

Mexico City EXCELSIOR in Spanish 13 Dec 84 pp 5-A, 37-A

[Article by Nidia Marin]

[Text] In order to combat the high cost of living, the Department of the Federal District will put on the market 20,000 crates of eggs at 129 pesos per kilo (the current cost of a kilo is 198 pesos) beginning next Friday. On that date, chicken and turkey will sell for a price 25 percent lower than normal.

In addition, in January, once the Tlahuac pasteurizing plant begins operations, 1 million liters of milk per day will be produced in this capital. According to the National Company for Basic Commodities (CONASUPO), there is a shortfall of this product of 2.5 million liters per day. The new supplies will increase current distribution in the city by 37 percent.

Demetrio Sodi de la Tijera, coordinator of supplies for the Federal District, explained that the crates of eggs, which will contain 360 eggs each, will be sold at the Morelos Market to the neediest sectors of the population.

The turkey and chicken will also be sold at that local supply center, located at Herreros and Eduardo Molina in the Venustiano Carranza district.

With respect to the chicken, Sodi de la Tijera explained that negotiations are currently being carried out--they are already at an advanced stage--with poultry producers, and by Saturday 15 December this product, as well as turkey, may already be on the market at discounts of about 25 percent.

In addition, the supply program for this capital in 1985 envisions a budget of 9.4 billion pesos, and its objective is to eliminate gradually the monopolies and middlemen in the supply of various staple goods.

This program involves activities in various areas, such as measures recently taken with regard to potatoes, fish and seafood, and other measures that will be carried out next year for apples and other fruits.

With respect to meat, under this program next year 12 million animals of different types are scheduled to be slaughtered, and approximately 900,000 carcasses are to be marketed through Industrial Supplies.

In conjunction with Liconsa, dairy stores will be set up in various low-income zones of the Federal District, as has been done under the program in 1984.

Fifteen different supply agreements with state governments are planned to promote closer contacts between producers and consumers, and to try to combat intervention by middlemen and product "tourism." [The transfer of a given product among numerous middlemen, resulting in an excessively high ultimate cost to consumers.]

In addition, there are plans to continue with the construction of 15 more warehouses in the Federal District until a total of 80 centers is reached.

The commercial modernization program envisions the relocation of 12 market places and markets on wheels, the remodeling of 35 public markets, the maintenance of 86, and the construction of 8 consumer orientation kiosks to tell the public where to go to get the highest-quality, lowest-priced goods.

Sodi de la Tijera explained that the Department's contribution to supplies of chicken and eggs represents an early implementation of programs slated for 1985.

8926

CSO: 3248/187

MEXICO

SECRETARIAT ANNOUNCES PRICE INCREASES FOR BREADS, TORTILLAS

Mexico City EXCELSIOR in Spanish 14 Dec 84 pp 1-A, 14-A

[Excerpt] As of today the prices of tortillas and white and brown bread will go from 21 to 32 pesos per kilo and from 3 to 5 pesos per piece, respectively, announced the Secretariat of Commerce and Industrial Development (SECOFIN) last night. It attributed this increase to recent rises in the support prices of corn and wheat, and to the government's efforts to rationalize subsidies of popular consumer goods.

The Secretariat stated that these adjustments are called for in the government's general economic policy, "aimed at supporting the recovery of productive activities and preventing a fall in production and employment."

In a press communique, SECOFIN reported that tortillas sold in National Company for Basic Commodities (CONASUPO) stores will not change in price from 21 pesos per kilo.

It explained that since the price of tortillas has remained unchanged for several months, popular consumption subsidies have been necessary. At the end of this year those subsidies will amount to 120 billion pesos. With the new price, the federal government is providing a subsidy of 25 pesos per kilo of the product, "in order to protect the basic commodities of the population."

The Secretariat noted that in order to prevent funneling off and speculation on subsidized corn, it will continue to withhold these supplies when it determines that they are being used for other purposes or for improper purposes. In addition, corrective measures and sanctions will be applied.

SECOFIN stated that if it had not decided to authorize the increases, "the subsidy levels for the consumption of these products would have risen substantially" until the situation became unmanageable, "without any guarantee that the subsidy would effectively reach the consumers."

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MEXICO

BRIEFS

CLERICAL, POLITICAL TIES DENIED--Tepic, Nayarit, 8 December--The Mexican clergy has no commitments to any political party, and those who assert the contrary are basing their statements on groundless assumptions, stated Archbishop Ernesto Corripio Ahumada today in Compostela. The chief of the Mexican Catholic Church said mass in the local church before hundreds of Catholics. Regarding the alleged ties between the ecclesiastical hierarchy and the National Action Party (PAN), Corripio claimed that "we do not have such commitments, nor should we have them, because the mission of the church is pastoral, not one of intervention in politics." He indicated that the Church supports the struggle of our people to overcome the crisis: "We are encouraging the citizens to work hard to overcome the crisis and to cooperate to solve the problems that confront the nation." Meanwhile, in Guadalajara, Bishop Adolfo Hernandez Hurtado reported that the economic crisis has also affected the Church of Mexico, which has had to suspend many previously planned projects, especially those of evangelization and social development. The priest indicated that the hiatus in the evangelization campaigns has been used to advantage by "sects that are set on destroying our faith." Hernandez Hurtado called on Catholics to cooperate with the Catholic Church of Mexico, "which has a human task that requires resources," and urged them not to let themselves be overwhelmed by problems, "because more serious than an economic crisis is a crisis of moral values." [Text] [Mexico City EXCELSIOR in Spanish 9 Dec 84 p 44-A] 8926

HUCHITAN: CENTRAL AMERICAN PRESENCE--Oaxaca, 17 December--Hundreds of refugees from Guatemala, El Salvador and Nicaragua have invaded this city. It is common to see them sleeping outside; they take low-paying jobs and have incited social unrest, claimed Alderman Javier Fuentes Valdivieso. He added that the arrival of people fleeing from repression in their countries of origin has increased prostitution, the trafficking and planting of narcotics, and frictions between natives and immigrants. He stated that marihuana and poppy plantings in the region have already been reported, but so far federal authorities have taken no action. He agreed with the assertion by Archbishop Arturo Lona Reyes that very little attention has been paid to these groups of people who cross the border illegally, fleeing the violence that prevails in their countries of origin. The municipal official stated that so far some 2,000 refugees have been discovered, most of them women. Lacking sources of employment, they have begun engaging in prostitution. [Excerpt] [Mexico City EXCELSIOR in Spanish 18 Dec 84 p 40-A] 8926

END: 11/11/85

PARAGUAY

1984 ECONOMIC PERFORMANCE VIEWED

Asuncion ULTIMA HORA in Spanish 22 Dec 84 p 16

[Article by Eduardo Miranda: "Year Ends, Recession Continues"]

[Text] Inevitably now at the end of the year, we evaluate economic behavior in 1984 and try to unravel the prospects for 1985.

If we have to talk about the Gross Domestic Product as main indicator of economic development, the available data limit us to the estimates of the STP [Technical Planning Secretariat]. It forecast a growth of 2.9 percent after recording a negative rate of 3 percent in 1983.

The STP called the change experienced by the economy in 1984 an "obvious slight improvement" but the recessive situation remained in full effect. In fact, some aspects of the recession worsened.

The social cost of the recession was worse this year due to the unprecedented growth in inflation and persistence of unemployment.

On the macroeconomic plane, there was a significant increase in exports this year. We also saw revitalization of the tourism sector. However, these changes were not translated into better living conditions for the people.

It can be admitted that the Gross Domestic Product grew but it also has to be recognized that there was deterioration of income and the rates of activity of the people have not improved.

The year 1984 was a year of speculation. The majority of the productive units maintained high rates of idle capacity and there were no major investments in the productive sectors for capital formation.

Since 1983 available financial capital has been mainly channeled toward purely speculative activities: financial speculation, real estate, speculation with the dollar and with cement, speculation with sugar and with flour and general hoarding of consumer products.

It was also the year of price increases for fuel, fares, electricity, water, telephone, taxes and basic consumer products which unleashed inflation.

What was done to end the recession? Some adjustments were applied but basically the antirecession policy seemed to consist of only waiting for the situation to improve spontaneously under the influence of international economic revitalization.

The Central Bank ordered a new reorganization of the exchange system and the Ministry of Finance passed a new tariff law. Those were the most important measures but they were not enough to revitalize the economy.

The situation in 1984 foreshadows the behavior of the economy in 1985 if an effective antirecession policy that requires more radical measures is not adopted.

Higher inflation, greater unemployment and a sharper deterioration of income seem to be the discouraging prospects for the new year.

As to exports and the trade balance, the current exchange system will again require important adjustments. Otherwise, it will only encourage smuggling.

According to official statistics, the Gross Domestic Product will again grow 3 percent or more but economic expansion must regain an annual rate of 10 percent for the benefits of the economic growth to reach the majority sectors of the population.

We can only hope that 1985 is really the year of economic revitalization promoted from within.

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PARAGUAY

NO BUDGET PROBLEMS FOR YACYRETA PROJECT

Asuncion ULTIMA HORA in Spanish 26 Dec 84 p 13

[Text] The Argentine secretary of energy, Dr Conrado Storani, said this morning that his country "does not have budget problems that affect continuation of the work on the Yacyreta hydroelectric complex which is being built with Paraguay." This information came from Buenos Aires where those statements were made.

The official said: "The binational Argentine-Paraguayan entity has \$500 million for next year, enough for normal development of the project."

Referring to the turbine contract, Dr Storani stated that the EBY [Binational Yacyreta Entity] could award "10 turbines to the U.S. enterprise Allis Chalmers and another 10 to other groups that have bid in order to diversify."

It is also possible that the award will go only to Allis Chalmers "because its financial problems are not major and there is the bank guarantee." Storani explained this when alleged difficulties of that firm were mentioned.

As to the probable date of adjudication, the Argentine official stated: "The problem will surely be resolved next January because it is necessary to place the purchase orders."

Paraguayans Travel

The Paraguayan director of Yacyreta, engineer Jorge Krisch, and national members of the Administration Council of the binational entity went to Buenos Aires this morning. They will consider critical questions like the adjudication of the turbine contract with their Argentine colleagues.

Before his departure, engineer Krisch told ULTIMA HORA that the Administration Council could decide the adjudication of that electromechanical equipment during this meeting in the Argentine capital. He noted that Allis-Chalmers and the Canadian company Dominion have an equal chance of being awarded the contract.

He also announced that the EBY Administration Council will approve the 1985 timetable for work on the project in the deliberations that begin this afternoon.

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VENEZUELA

POPE MAKES VIGOROUS DEFENSE OF WORKERS

PA301630 Paris AFP in Spanish 2327 GMT 29 Jan 85

[Excerpts] Caracas, 29 Jan (AFP)--The pope vigorously defended the workers when defining good and evil to Latin American Catholics, during his 72-hour visit to Venezuela.

Work, the family, Catholic education, democracy, peace between nations, human rights, marital love, observance of dogmas, and the Church's preference for the poor, were the points the pope defended.

On the other hand, the pope described divorce, abortion, birth control, euthanasia, desertion of children, and the deviation of youths toward drugs, sex, and materialistic ideologies, as the enemies.

He strongly criticized false religious groups, the liberation theology (Christianism interpreted as support of the struggle of classes against misery," Marxism (without naming it), and the tendency to place material values--such as capital and technology--over work.

The pope issued this message to over 2 million persons who gathered to see him and hear him personally. But over television, he paralyzed the entire population of 17 million inhabitants during his visit.

The Holy Father presided over four huge masses in Caracas, Maracaibo (oil west sector), Merida (Andean southwest sector), and Ciudad Guyana (mining southeast sector), and in addition delivered speeches to the bishops and various religious, laity, youth, and Polish colony organizations in Venezuela.

As head of state, he also met with President Jaime Lusinchi (a social-democrat) with whom he discussed the Central American conflict, it was revealed, but his clerical and laical interlocutors said there was no mention of a possible mediation by the Pope in the isthmus.

Before the bishops, the pope criticized the liberation theology, saying: "There are those who distort the Gospel message, placing it at the service of ideologies and political strategies, in the search for an imaginary earthly liberation, which is neither that of the Church or of true benefit to mankind."

The successor of Saint Peter defended "the preferential option of the poor" in his appeal to the clergy to give themselves first to that sector, in this country "which has great wealth," but where "many social groups live in extreme poverty."

He asked the youths to keep away from materialism and Hedonism, while he specifically criticized drugs, sex, and alcohol, and Marxism without actually calling it by name.

He told the laity that he "shares the suffering of the many Latin American workers who see their living and working conditions deteriorating."

This solidarity was greatly emphasized when he said mass before thousands of workers in Ciudad Guayana and later lunched with 118 of them.

"Work is for man, not man for work," could have been the title of the pope's "labor homily," said Vatican observers.

The Pope attacked the abuses of capital and technology. "It is necessary to constantly place the principle of work as the top priority to confront capital (...), the principle of personal dignity of the worker must be the prevailing factor in every economic process."

Technology is "no doubt" an ally of man, but "it can become an adversary, when it eliminates a man's job."

Finally, the pope praised democracy, asked the people to work for its expansion and for the defense of human rights, and in the face of international conflicts, he asked them "to seek appropriate solutions through dialogue and peace agreements."

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VENEZUELA

BRIEFS

ENERGY MINISTER ON PRICE CUT--Venezuela deplores the lack of unity in the OPEC countries' decision to lower crude oil prices. This was stated by Venezuelan Energy and Mines Minister Arturo Hernandez Grisanti in Geneva, Switzerland. However, he added that he expects Algeria, Iran, and Libya to advocate a united decision in the near future. In addition, he placed no importance on the lack of a unanimous decision, saying that this has happened on other occasions. Nevertheless, the decision is valid and will contribute to stabilizing the markets, to the benefit of producers and consumers, Arturo Hernandez Grisanti said. [Text] [Caracas Radio Rumbos Network in Spanish 2100 GMT 30 Jan 85]

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